WHAT'S WRONG WITH MARXISM?
On Capitalists and State in India and Indonesia

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Preface

In the early 1970s I started research on Indonesia in general and on the failure of the Communist Party in particular. My doctoral dissertation was published in Swedish in 1982. (Two years later it appeared in a slightly revised version under the title "Dilemmas of third world communism: The destruction of the PKI in Indonesia" Zed Books.)

Thereafter I wanted to continue in two directions. First, it should be interesting to compare the problems of political Marxism in Indonesia with difficulties in different settings, in order to be able to make more valid generalisations. Initially I turned to India. Later on I will also, though more briefly, include the Philippines. Second, I wanted to elaborate on the implications for the further development of theory and analysis. In the book on the PKI I had only showed how certain important theses and strategies were undermined.

The present book is the first of two on relations between Marxist theory and practice in India and Indonesia. It focuses upon the ideas about the bourgeoisie and state as driving social forces in third world countries. The forthcoming second book will have peasants and workers as its point of departure.

I continue to draw a lot on my previous results on Indonesia. The PKI-project was financed mainly by Uppsala University and the Swedish Agency for Research Co-operation with Developing Countries (SAREC). The current project is sponsored jointly by the Bank of Sweden Tercentenary Foundation and the Swedish Council for Research in the Humanities and Social Sciences. I have also been able to use most of my time as assistant professor at the Uppsala

Department of Political Science for research. I am most thankful for this support, not only for the resources but also for the understanding.

In doing the research on the PKI, I was intellectually supported and stimulated through contact with a vast number of colleagues, comrades and friends in Scandinavia, as well as in Holland, Australia, and Indonesia. Many of them have helped me also during my attempts to follow up the earlier study. Unfortunately, were I to mention names, I would still only be able to thank a few of all those in Indonesia who have trusted me, at considerable risk to themselves. There are also many Indonesians in exile and researchers on Indonesia, primarily working in Holland and Australia, who have been of assistance. I shall not name them all here. A relatively comprehensive list is to be found at the back of the book on the PKI with the references plus in the new research report from late 1984, "Struggle for democracy–a new option in Indonesia?" (AKUT-series no. 22). In Scandinavia I have, since 1975, had the privilege of working with interested and knowledgeable colleagues, comrades and friends within and in contact with the AKUT-research collective. Stimulating arguments and encouragement were and are also forthcoming through the Skytteanean Department of Political Science.

I turned from Indonesia to India in 1984/85 and was overwhelmed. I even got my first cultural shock when I arrived in Calcutta in mid-1984 on my way back from Java to Sweden. The misery of most people was much more visible, and a quite common arrogance often in sharp contrast with gentle Javanese modes. (Is this the Indian price for not being "repressive enough" to domesticate people and "clean up" most of the places which the well off patronise?) The Indian academic self-confidence was striking, both in terms of quantity and quality. I am therefore particularly thankful for the kind introductory help given to me by colleagues, comrades and friends, including Raza Ansari, Venkatesh Athreya, Nripen Bandyopadhyay, Sumanta Banerjee, M. Basavapunnaiah, M.R. Bhagwan, Praful Bidwai, D.K. Bose, Nikhil Chakravartty, Boudhoyan Chattopadyay, Göran Djurfeldt, A.K. Ghosh, S.K. Goyal, Harsh Kapoor, Kumar Ketkar, the late Mathew Kurian, Praful Lahiri, Staffan Lindberg, John Martinussen, Kitty Menon, Ashok Mitra, R.K. Mishra, Manoranjan Mohanty, Gautam Navlakha, Gail Omvedt, Sandeep Pendse, Govinda Pillai, Ramdass, Krishna Raj, Ajit Raj, Harikishen Singh Surjeet, P.K. Michael Tharakan

Peter Waterman and many others. Through them I have been able to benefit from contacts with a vast number of other knowledgeable researchers and activists. For practical reasons, it is not possible for me to mention all the names here.

About two years later I got valuable comments on the first part of the present book at the XII Indian Social Science Congress in Mysore, 1987. The full manuscript has been discussed within the AKUT group (especially with Inga Brandell, Björn Beckman, and Lars Rudebeck) and during an "India Day" in Uppsala in early 1988 (with, among others, M.R. Bhagawan, Göran Djurfeldt, John Martinussen and Manoranjan Mohanty). Discussions on my theoretical conclusions continued at the XIII Indian Social Science Congress in New Delhi and at the conference on "State and Civil Society in Indonesia arranged by the Centre of Southeast Asian Studies, Monash University, Australia, in the end of 1988. In addition to this Gail Omvedt has communicated important comments. Hans Blomkvist, Mats Dahlkvist, Staffan Lindberg, Bo Rothstein, Göran Therborn and other colleagues have helped me with stimulating views on drafted versions of the manuscript. Thank you, all of you! Plus Patrik and Felix for "disturbing" but also for beginning to understand why I'm not always listening or even present in Uppsala.

Comments and reactions are most welcome! Please write me on the following address:

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Part I:
Introduction

Two Questions, One Approach – and the Argument

Marxist theories are of particular interest not only because they indicate some of the causes of mass poverty and misery in the third world but also because they try to show what possibilities there are for the repressed and exploited to alter their situation and develop their societies along more equal lines.

This is a report from a project on relations between Marxist theory and practice in South and Southeast Asia. The main questions that emerge are: what are the main problems involved in applying Marxist understanding of the driving social forces in post-colonial societies for radical political purposes? And, what are the implications of those problems for theory and analysis?

In the present study I focus upon ideas, and the attempt to apply them, about capitalists and the state as driving social forces in Indonesia and India. I will take up the implications for peasants and workers in my next work wherein I will also make an additional brief comparison with the Philippines.

Struggles for radical change are social projects that may have intellectual components. Drawing on Robert Brenner,[1] among others, I maintain that classes are mainly interested in reproducing themselves and their positions. From the point of view of such class interests, radical changes are, thus, an unintended effect. Consequently, a revolution, may occur without or despite political guidance.

However, I am one of those political scientists who are mainly interested in if and how people attempt to transcend this "irrationality" of historical change. They could do so by understanding how their societies work and by using political instruments to plan and struggle for a better life rather than by only securing their reproduction.

According to Marx, the philosophers had only interpreted the world while the point was, and presumably still is, to change it. Mar-

xist theories and analyses are meant not only to disclose how and why societies change and function; they are also meant to be applied politically.

Scientific Marxism may, therefore, be used to make political forecast, to identify driving social and political forces, to propose alliances and to formulate strategies, etc. Such broad guidelines are necessary, though not sufficient preconditions for success in conscious attempts to change societies.

My purpose here is not to test the inner logic of Marxist theories, nor to test their descriptive and explanatory power in concrete settings. It is rather to scrutinise their applicapility with regard to the transition of post-colonial societies. That is, their fruitfulness as a *basis* for such forecasts and guidance which constitute the intellectual foundation for radical policies. Any problems that are thus identified may also be used in order to further develop the theories.[2] Political Marxism is on the defensive in several countries very different from each other, such as Indonesia and India. Some decades ago, communists offered a dynamic alternative to "neo-colonialism": state-led development based on workers and peasants as against an "incapable bourgeoisie". Since then, however, capitalism has been on the offensive from the state above and through communalism below while communists have often hung on to old theses.

It was difficult to foresee and explain there developments with standard Marxism and thus difficult also to go ahead – whether with communist versions of political Marxism or with some other version.

My studies show that predominant political Marxism overstates the importance of private land and capital even as it understates the role of other necessary preconditions for the reproduction of the classes which are often controlled through the state. This control stays with various groups and individuals who demand rent for "smooth" administration and for letting out resources that are in principle collectively owned.

In my attempts to develop a new theory, I talk about regulative rentiers and political rent capitalists. The latter are rentiers *and* capitalists since they control, broadly speaking, means of production and function in a capitalist framework. They are not necessarily parasitic. Some of them even become political finance capitalists by investing their resources in individual economic units. It is an open question as to whether they promote development or not.

These dominating classes are afraid of political democracy, based

or dependent on political monopolies as they are. There is a need, and the option exists, for the real producers to fight for more control over the means of production by way of democratisation as against the transfer of power to state dependent private capitalists by way of "liberalisation".

Design

Three points of departure within political Marxism

On the basis of, among other things, the use of scientific Marxism (henceforth Marxism only), various streams of political Marxism have emerged. If we limit ourselves to tendencies of importance for actual developments in South and Southeast Asia they have mainly been equal to Leninism, Stalinism and Maoism. It is only during the last one or two decades, that new lines have become influential in the process of capitalist expansion.[3] I will distinguish and classify old as well as new schools of thought according to the driving social forces that are stressed and which are fundamental for the forecasts and recommendations. They are: (a) A progressive bourgeoisie and nation state; (b) Peasants and the rural poor; (c) Workers.

As I have already mentioned, it is only the first of these tendencies that will be taken as a point of departure in the present book. But let me identify them all before we begin. We return to the early 1920s. While social democracy became predominant in highly developed industrial countries, communism shaped important political Marxism in the colonies, especially in the East. The Russian revolution was crucial. Lenin *et al.* had no colonial interests but were looking for approaches to less developed nations within the former Russian empire, and for means to undermine the threatening imperialist powers. In addition to this, the Russian revolution itself proved that socialists in the colonies did not have to wait for capitalism to develop and reach its ultimate limits before they outlined and implemented revolutionary policies. And the top-down elitist character of such a project was hardly unattractive for radical, intellectual, and usually young aristocract nationalists in the so called backward countries. They were not only alienated by imperialism and wanted to do something immediately but also fascinated by the benefits of Western development and, thus, convinced about the impossibility of drawing on conservative dissidents in their own

countries who were based on pre-colonial forms of reproduction and domination.

Furthermore, according to the Leninist understanding of Russia, it was an incapacity of the bourgeoisie to develop capitalism without adjusting to retarding and belligerent feudal and foreign imperialist forces that had made the revolution possible. This was easy to link up with Lenin's theory and analyses of imperialism, according to which, among other things, capitalism was imposed upon the colonised societies in co-operation with local feudal forces thus inhibiting progressive developments.

When these perspectives were applied to less developed countries, the political Marxist argument emerged, that the main contradiction was bourgeois nationalism against imperialism and feudalism. Temporary and conditional communist support for a bourgeois national revolution was therefore prescribed. But at the same time the forecast was that such a revolution was held back, and that, when this became obvious to the masses, communists would, just as in Russia, have the chance to take the lead and carry out modern development from above, with the use of the state and supported by workers and peasants.

This first political Marxist tradition was thus originally based on the conclusion that the bourgeoisie, with the nation-state that it might create, was the essential driving social force in the East—as long as it was revolutionary, i.e., tried to develop capitalism through a radical change of the structure of power by fighting feudal and imperialist forces, not adapting to them.

Then came Stalin and his flock. They maintained that the contradiction between the bourgeoisie in the East and feudal plus imperialist forces was objective and necessary rather than only possible. The crucial prefix "revolutionary" was purged and the concept of "national bourgeoisie" was given prime importance. Also, the determinist character of this contradiction implied that capitalist development generally was blocked and not only the type that required changes in class structures. This was to become an important basis of the dependency perspective that stressed blocked capitalist development and imperialist underdevelopment.

The Comintern at this stage prescribed for the Chinese comrades, among others, an almost unconditional co-operation with the "national bourgeoisie" and the Kuomintang. This policy, however, ended in total failure and holocaust. Thus, Stalin turned around and

argued that the "national bourgeoisie" had abandoned its own class interests and that no co-operation whatsoever was possible. The Chinese themselves were more cautious. They maintained, on the one hand, that there were still driving bourgeois forces worth co-operating with. The Maoists, on the other hand, rooted themselves among the peasantry.

During the 1950s, Moscow returned to Stalin's original theses. But when the "national bourgeoisie" once again proved unreliable, the solution was not left extremism, as in 1928, but to look for progressive forces within independent post-colonial state apparatuses. They should be able, it was argued, to shoulder the historical mission of the weak progressive bourgeoisie and carry out a "non-capitalist development", provided they had the right perspective and got support from the masses and from socialist states.

The approaches briefly outlined here may be called "a progressive bourgeoisie and nation state" and will be taken as a point of departure in this study.

The Chinese, in contrast, were even more disillusioned with the developments in the late 1920s and as I have already hinted, invented a second tradition within South and Southeast Asian political Marxism. Mao was looking for a new basis after the Kuomintang repression. He quietly abandoned Stalin's prescriptions and transcended the old ideas of only looking for support among the peasantry to stress them and their anti-feudal interests as a new driving social force provided they were properly led by a party guided by the interests of the working class. Only thereafter did he advance into conditional co-operation with anti-feudal and anti-imperialist sections of the bourgeoisie and suggested "a new democracy".

In terms of political projects of different generations,[4] the older nationalistic and etatistic Leninists-cum-Stalinists were thus followed by somewhat younger theoreticians and activists inspired by Maoism. They talked about landlords and a lumpen state as their main enemies, and about the need to enforce bourgeois land-reforms since the bourgeoisie itself was too weak. In the process of post-colonial capitalist expansion, many of them now emphasise exploitation of the peasants by the state via the market rather than by landlords.

Simultaneously, however, a new generation of often intellectual new left rebels grew up. Some of them turned to extreme interpretations of Maoism and tried to initiate armed uprisings. Others, in-

cluding many of those who gave up extreme Maoism after a decade or so, are not only disappointed with a state and a bourgeoisie that do not offer any real alternative but also with established parties within this set-up, including communist, and with official socialism in India and elsewhere. In addition to this, they watch capitalism expanding in a way that increasingly alienates and represses not only some among themselves but also a majority of the population.

Within this framework, one school stresses including marginalisation and repressive domestication, of the rural masses in particular. Applied Marxism has, according to this view, become preoccupied with, and become an economic and political prisoner of, the modernising side of the coin often at the cost of the other. Any radical changes require, therefore, a broader all-peasant line than prescribed by the old communists who mainly want more favourable conditions for the rich and middle peasants in the process of capitalist expansion. The broad front must instead include and be based upon the very underprivileged and their activities, including those among tribes, scheduled castes, women's organisations, some NGOs and so on, and aim at alternative paths of development.

The approaches hinted at here are labelled "peasants and the rural poor" and will be taken as a point of departure in my next book.

Finally, another school of thought has emerged among the post-colonial radicals. They maintain that the changing international division of labour and proletarianisation as well as industrialisation within their own countries calls for a political Marxism that focuses upon the workers as the new driving social force.

I will, therefore, conclude the next report by discussing some experiences of new radical workers struggle in India and Indonesia.

Evaluating political Marxism

Within each school of politically applied Marxism, I will distinguish between various interpretations and strategies that have been used by important political organisations and movements in Indonesia and India.

The present study takes off from an idea of "a progressive bourgeoisie and nation state" as the driving social force and I will study three positions. First, on a "national bourgeois state", second, on a "national democratic state", and third, on a "big- or bureaucrat

capitalist state".

To begin with, each position is presented. Then follows an evaluation of the interpretation and strategy under review[5] by juxtaposing them with results and actual developments. Does reality confirm forecasts, recommendations and calculated results?

I study what actually happened with a general Marxist perspective. This is not only because it suits me fine, but mainly because such an approach does not, *by definition*, produce results that differ from the communists. I will frequently use the communists' own concepts, not for analytical purposes but only as objects to be evaluated. My analytical tools for this evaluation are mainly the categorisation of communist theses. Finally, I will draw mainly on comparatively undisputed common scientific literature, supplemented by some sources related to the parties and organisations plus interviews.

In search for more fruitful theory

These evaluations make it possible to identify decisive tendencies in the actual development of the societies which have been difficult to foresee and take into due consideration by the use of predominant Marxism, that is the theories and analyses which have been used to inform the political Marxist schools of thought.

These important unforeseen developments relate to various scientific discourses. In relation to state and bourgeoisie, an extensive discussion about the interests of class, the role and basis of the state in the transition to capitalism, as well as preconditions for more or less democratic rule under post-colonial capitalism.[6]

I will relate my "unexplained and unforeseen" tendencies to such discourses; study to what extent other Marxist or non-Marxist theories (other than those which informed the political Marxism that has been evaluated) can help us to further develop the theoretical and analytical tools; and finally add my own contributions and conclusions.

Problems of presentation

This way of evaluating and trying to further develop Marxist theory and analysis does, however, generate some problems of presentation. I am not starting from concrete realities, which are comparatively easy to narrate and which the reader may be familiar with, but from

abstract theses. Moreover, the theses are not used to interpret the full dimensions and complexity of reality, and in the process being tested for their descriptive and explanatory power, but serve as a point of departure for a study of problems of using them politically. The text will inevitably be repetitious and "codified" since I write about various ways of fitting all the pieces together and have to find words and phrases which signal different pieces and combinations.

The research process as a whole is yet to be completed and a new design must wait till it is. As it is, it is quite rare that Marxist theories and analyses are evaluated and further developed from the point of view of their political fruitfulness. While it is not the only way of "testing" them it is *one* contribution, in this case mine.

The method adopted is helpful for the identification of what is relevant in an ocean of complexities and dimensions, materials and facts. My way of taking off from the theses and interpretations of certain actors, as well as their problems may be a kind of surgery. But to be able to approach problem of the body as a whole, one has to find strategic areas and make an incision and not cut everywhere. I believe that my method is powerful when it comes to identity problems of political Marxism, and what the actual developments are that need better analytical tools to explain. At least it will be possible for the reader to follow exactly how I arrive at my conclusions.

Eventually, when the present as well as the forthcoming report on India and Indonesia have been published and a brief comparison with the Philippines has been carried out, I will turn things upside down, give priority to presentation, begin with my conclusions–the attempts to build new theory–and use them to analyse the concrete problems of radical political economy.

A brief note on the material

The merit of this book is not new empirical results but, hopefully, the interpretation of old ones as well as the arguments presented and the comparative perspective. I draw on standard scientific literature that is relevant and supplement with some sources and interviews with scholars and with actors in the organisations and movements under review.

I am most thankful to all those who have been kind enough to share their analyses with me. Without their support, this study would not have been possible.

Finally, I will frequently refer to my previous studies when I discuss Indonesia and supplement only with references to new relevant research published subsequently. Most of the sections on Indonesia in this book are compressed versions of my previous results and it would be difficult, and perhaps unnecessary, to reconstruct the full arguments and references.

References

1. Brenner (1986).
2. I hope that I have, thereby, expressed myself less pretentiously than in my book on the PKI — Törnquist (1984a) — in which I gave the impression that I could explain not only intellectually based problems of political Marxism with a similar approach. Cf. e.g., Prof. Wertheim's review of the book in Wertheim (1987).
3. In this section I base myself mainly on chapter 3 ("Marxist theory of struggle in the third world: the communist tradition") in Törnquist (1984a).
4. On different generations, c.f. Desai (1986).
5. These should not be confused with Marxist ideology, a much broader concept that cannot be fruitfully evaluated in the same way.
6. In my previous writings, see Törnquist (1984a and b), I have used the term post-colonial capitalism in a specific way, hinting at a new path of capitalist development. In this book the term will only signal capitalism after colonialism. In chapter three, I will attempt to elaborate on the problems of new paths of capitalism and suggest the concept political rent capitalism.

Part II

Problems of Political Marxism: A Progressive Bourgeoisie and Nation State

In what way did political Marxists in South and Southeast Asia interpret and adapt the thesis about a progressive bourgeoisie and nation state as the driving social force to their own post-colonial societies? What conclusions did they reach? What forecasts did they make? What strategies did they try to implement? And do the actual developments confirm the forecasts, recommendations and calculated results?

In concrete politics, the ideas about a progressive bourgeoisie and nation state have been most forcefully upheld by the Indonesian and Indian communists and a comparative study of their experiences should be fruitful. Though the problems are quite similar, the societies differ. The Indonesian and Indian bourgeoisies and states are not the same. According to conventional wisdom, the Indonesian private bourgeoisie was very weak in comparison with the Indian, while the Indian state was less forceful than the Indonesian. A comprison may, therefore, indicate which common problems are related to the different societies and those that can be explained by a similar background.

Within the broad framework of the thesis under review, it is possible to distinguish three or four types of interpretations and general strategies. The first approach may be called "the national bourgeois state position". This departs from Stalin's original argument, which stressed the necessary progressive nature of a so-called national bourgeoisie with anti-feudal and anti-imperialist interests to create and use a nation state for the development of an independent economy, bourgeois democracy, etc. Communists should, therefore, try to expand from within this type of policy. The Indonesian Communist Party–(PKI) *Partai Komunis Indonesia*–made use of this

perspective during the early and mid 1950s. The Communist Party of India (CPI) adopted the same orientation some years later and stuck to it till at least the mid 1960s, when the party split.

The second perspective will be referred to as "the national democratic state position". Many communists analysed problems within the first approach in terms of the weakness of the national bourgeoisie and argued that this made it possible for politicians and administrators within the state to act on their own and embark on state-led development that was neither capitalist nor socialist but "non-capitalist"–provided they got support from peasants, workers and advanced socialist states. Consequently, communists ought to co-operate with and support progressive leaders of the state. The PKI favoured such ideas in the late 1950s and early 1960s. In India the arguemt had been advanced since the mid 1950s but it was only after the party split in 1964 that the Communist Party of India (CPI) – one of the now two parties–made it its official policy.

One version of the third perspective emerged out of the split among the Indian communists and is still maintained by the other party, the Communist Party of India – Marxist (CPI-M). The CPI-M argued that India's state-led development should not be supported because the big and monopolistic bourgeoisie dominated the state in co-operation with semi-feudal or semi-capitalist landlords and tried to enforce a brutal and dictatorial capitalism upon the people. These tendencies had to be fought not only by threatened workers and peasants but also by the progressive non-monopolistic sections of the bourgeoisie, which were held to be interested in a somewhat more revolutionary capitalist development.

This argument has not been forcefully put forward in Indonesia where another version emerged out of an originally Chinese argument. According to this there is a large domestic monopolistic bourgeoisie which, however, is rooted in co-operation with not only semi-feudal forces but also imperialist ones–just as the pure comprador bourgeoisie; in addition it also depends upon powers in the executive organs of the state for its own survival and expansion. These "bureaucratic capitalists" thus contradict the interests of, among others, a progressive non-monopolistic national bourgeoisie which communists, consequently, should try to mobilise.

This line was maintained–through it was only partially followed – by the Indian Maoists from the mid 1960s and onwards. A similar, and in terms of concrete politics much more important version, was

put forward by the PKI in the early 1960s. Substantial sections of the civil servants including the military officers, gained tremendous powers within the increasingly important Indonesian state which they used for self-gain. However, according to standard Marxism, capitalist power is rooted in control within the economic base and not in the super structure. Bureaucrats and officers only administer and execute the powers of real capitalists. In the absence of strong Indonesian capitalists, the PKI, therefore, claimed that the roots of bureaucratic powers mainly stayed with foreign imperialists. Hence, a broad front against imperialism was prescribed.

I will call the third perspective, including the CPI-M's and the PKI's versions respectively, "the big- and bureaucrat-capitalist state positions".

Let me now further explore these theses one by one and evaluate them by juxtaposing the forecasts, recommendations and calculated results with what actually happened.

1

The National Bourgeois State Position

TOWARDS NEW LINES

In the final struggle for national independence neither the Indonesian nor the Indian communists were decisive. According to them it was national bourgeois forces that took the lead; in Indonesia a complicated coalition of radical nationalists, socialists and muslims, including president Sukarno and vice-president Mohammed Hatta; in India the accommodating Congress party with leaders such as Gandhi and Nehru. Initially a majority of the communists in both countries worked from within these movements.

But when the cold war spread, the main issue became one of following either the United States or the Soviet Union. When these powers tried to consolidate whatever influence they had in various countries, most communists in South and Southeast Asia adjusted themselves. They re-evaluated their former comparatively positive view of the so-called nationalist bourgeois movements in Indonesia and India, arguing that if these were not in total favour of Soviet policy they were pro-imperialists and that a policy of harsh confrontation was necessary.

In Indonesia this *"Djalan Baru"*, New Road, or a communist dominated front from below against the so-called big bourgeoisie in power, had hardly got started before local cadres in Madiun, East Java, responded to government provocations with an outright revolt in September 1948. The new communist leadership criticised the local revolters but maintained that the only choice the party as a whole had was between fighting and total defeat. Army units crushed the communists and some 10,000 people were killed, including the party leader Musso.[1]

In India the central party organs were captured by a faction advocating, as in Indonesia, that a big bourgeoisie had taken over state power which co-operated with imperialists and had to be fought with the use of general strikes, etc., just as in Russia or

perhaps contemporary Czechoslovakia. The new party leader, Ranadive, who is still active within the politbureau of the CPI-M, was, however, totally unsuccessful in carrying out his proletarian revolution. Instead, India also got one local led revolt that was much more powerful than the Indonesian one. It took place in the old princely state Telangana near Hyderabad in south central India. Being an armed peasant-based anti-feudal uprising it had much more in common with Maoist ideas than the contemporary Stalinist views of Ranadive and was quite successful as long as the Nizam of Hyderabad did not subordinate himself to New Delhi. But when he finally did the situation changed. The Congress party and the central government turned against those who wanted to continue the struggle. Some of the better off peasants in the area as well as moderate communist party leaders followed suit. The Telangana uprising came to an end in the early 1950s with severe losses to the militants.[2] In the mid 1960s, however, the old cadres and a young Maoist generation initiated new-armed struggles in the same area that are still going on. I will return to them in the second report.

CONDITIONAL CO-OPERATION WITH THE NATIONAL BOURGEOISIE

Indonesia

The Madiun revolt in Indonesia caused the PKI to be thrown into disarray. Some old leaders dissociated themselves from the revolt. Others had managed to escape from the area and continued the struggle against not only the Dutch but also the new leaders of the independent Republic. Aidit was one such communist. His faction worked dynamically to restore the PKI along the militant Musso line. Huge strikes were staged and in January 1951. Aidit managed to take over the reins of power in the politbureau. However, a new period of outright government repression followed which paralysed the party. The leaders had to go into hiding again. This time they chose quite a different line from Musso's in 1948: The communists should not allow themselves to be provoked–instead the government should be forced to display its anti-democratic policies.[3]

These defensive tactics worked. Even anti-communists criticised the government, which fell in early 1952 because of its collaboration with the United States. But Aidit planned more than a new tactic.

Under his leadership the PKI was now, suddenly, prepared to give critical support to cabinets led by the Nationalist Party and to swear allegiance to President Sukarno, who previously had been labelled as a semi-fascist traitor.[4]

The argument was that Indonesia's political independence was limited. The country was neither economically independent nor liberated from so-called semi-feudalism in the rural areas. Powerful movements and political organisations based themselves upon this socio-economic structure. The Nationalist Party–*Partai Nasional Indonesia* (PNI)–and President Sukarno advocated policies that articulated national bourgeois interests of liberal democracy, an independent national economy and anti-feudal agrarian reforms. By giving conditional support to the PNI and Sukarno in the parliament and by abstaining from militant strikes in domestically-owned units it was hoped that the weakened PKI would get legitimacy and government protection against the powerful anti-communists, be able to build the party, reach out in the villages and so on. Simultaneously, the PKI would have a chance to mobilise people in favour of more radical national bourgeois policies and–when the party had become strong–shoulder the historic developmental mission of the bourgeoisie as it abandoned its "true" class interests.[5]

I have not been able to identify any full-fledged PKI-analysis of this so-called national bourgeoisie despite its crucial importance for the new party strategy. Most conclusions and calculations were made on the basis of the actual policies carried out by various organisations and leaders. However, to this Leninist and Maoist tradition of giving priority to the actual positions taken in the class struggle, the PKI also added determinist ideas of parties practicing direct class rule. Thus if the PNI, for example, agitated against imperialism, such policies should receive continued support. The party was thus seen to represent ultimate and almost definite national bourgeois class interests and it could be relied upon.[6]

India

By carrying out this renewed policy in a unified way, the PKI was pioneering the recommendations which the Soviet party made its own at the 20th Party Congress in Moscow 1956.

The Indian party however, vacillated. The fiasco of the struggles for a proletarian uprising led by Ranadive had been followed by the

Maoist armed revolt in Telangana, which was also approved by Moscow. As the situation changed, the party leaders could not agree on how to proceed and sent a delegation to Moscow. But Stalin had become aware of the need to moderate confrontations with new politicians such as Nehru.[7] In late 1951 the CPI abandoned its armed peasants struggles in Telangana after having compromised on a new analysis and strategy.[8] The central government was viewed as being based upon landlords, princes and a reactionary big bourgeoisie collaborating with the British. But despite this, the party line was that it should not fight directly for socialism but initially work for the fulfillment of a bourgeois national revolution and look for support not only among the workers as in 1948, or the peasants as later on in Telangana but also progressive intellectuals and the "national bourgeoisie". For example, progressive trends in the government's foreign policy should be critically supported. Consequently the CPI entered parliamentary election politics within, as it thought, a rather stable "bourgeois" democracy.

The compromise between left and right tendencies within the party was further developed in a moderate direction in the years to come. There was an ever present debate as to whether the Congress party and Nehru really represented a progressive national bourgeoisie, as the PKI maintained that the PNI and Sukarno did in Indonesia, or whether only partly, or potentially. The compromises always stressed a combination of unity and struggle.

The moderates focused upon the increasingly anti-imperialist policies of the Congress including its economic co-operation with the Soviet Union within the framework of the second five year plan that stressed state-led industrialisation. Moreover, they argued that the Congress government represented "the national bourgeoisie as a whole". Since this was so weak it needed the support of the state and the socialist countries to build an independent economy of its own. Thus, the Congress, the state and the national bourgeoisie were all eager to carry out anti-feudal agrarian reforms and fight anti-democratic political monopolies. Though there were reactionary tendencies within the bourgeoisie, the progressive ones were increasingly important and should be supported conditionally. The leftists, on the other hand, were more inclined to expose the socialist rhetorics of the Nehru Government, the attacks by the state upon workers and peasants, the monopolistic tendencies in the development of the economy as well as collaboration with

international capitalism, etc. They argued that the party was successful only in states where it had become an alternative to and contested against the Congress, as in Andhra, Kerala and West Bengal. The policy of the CPI had thus to be firmly based on the interests of workers and peasants. There should be no illusions about the capacity of the Congress and the national bourgeoisie to fulfill revolutionary bourgeois developments on their own, or of the possibility of radical changes in Indian society through peaceful parliamentary means.

The moderate wing of the party gained in importance over the years. It consolidated its position after the intensified co-operation between Delhi and Moscow, the 20th Party Congress of the Soviet party with its critical review of Stalin plus new careful recommendations, and the coming to power in Kerala of a CPI-led front within the framework of "liberal parliamentarism" in 1957. One of the important sayings of the CPI at the time was that it would execute the previously unfulfilled Congress party policies.[9]

The CPI, like the PKI, never carried out any independent comprehensive analysis to identify the so-called national bourgeoisie. The main criteria were, again, political as well as deterministic.[10] If the Congress favoured anti-imperialism and state-led development it did not only indicate a progressiveness that should be supported but it would also further long lasting national bourgeois interests including anti-feudalism and respect for liberal democracy.[11]

CONDITIONAL CO-OPERATION EVALUATED

Three basic assumptions that informed the strategies of conditional co-operation with the "national bourgeoisie" will now be compared with actual developments. First, did the forces that were identified as "national bourgeois" really fight for an independent economic development? Second, did they struggle for radical "anti-feudal" changes in the agrarian sector? And third, did they foster the development of bourgeois liberal democracy?

National bourgeois economic development?

In Indonesia the PKI's strategic advances were remarkable.[12] By offering conditional support to the PNI and President Sukarno, the communists made it possible for them to abstain from co-operation

with so-called reactionary and neo-colonial forces and to form a government of their own. Moreover, the new government policies were characterised by continued attempts at restructuring the colonial heritage. The struggle against Dutch interests was activated. New relations with state socialist countries were established. Indonesia initiated and hosted the first meeting of the Non-Aligned Movement–the Bandung conference in 1955. The government tried to support and protect domestic entrepreneurs, in particular those who were neither of Chinese origin nor linked with the colonial export-oriented economy. Finally, Sukarno fostered his idea of *Marhaenism*; the typical Indonesian who was neither a proletarian nor a landless farm worker but a hard hit and struggling non-exploiting simple commodity producer. The Indonesian *Marhaens* were sought to be protected and were seen to form the basis for independent economic development rather than the established landed and business elites.

In India[13] similar developments took place even though the Congress party was less dependent on communist support. Gandhi's populist ideas of the Indian petty bourgeoisie, village development, etc., as a basis for independent India were even more forceful than Sukarno's *Marhaenism*. And already in the mid 1940s India's leading businessmen themselves, including the Tata and Birla families, signed their so-called Bombay Plan which advocated active state intervention for the development of an independent capitalist economy which envisaged protection against foreign competition, infrastructural investments and the financing of expensive industrial projects, etc. Later on, Nehru and his second five year plan gave priority to state-led industrialisation with support from state socialist countries. It was actually Nehru (and Chou En-lai) who developed the famous principles of non-alignment that were decided upon at the Bandung conference. However, problems abounded. In Indonesia[14] the colonial economy started breaking up but there was nothing to replace it, least of all an embryonic national economy. The plantation economy on Java was undermined and exports of colonial products from the outer islands were constrained by government policies like over-evaluating the currency in support of domestic producers. This ended in powerful regional opposition and revolts. Foreign businessmen were reluctant to reinvest under the new hostile government and the only competent capitalists in the country, the Chinese business community, were looked upon as

being virtually as wicked as the Dutch. They were therefore sought to be replaced by "real" Indonesians.

Government attempts at supporting a national bourgeois economic development by fostering new patterns of trade and domestic production on the basis of an import-substitution rationale ended mainly in abuse of power and corruption. Licences, credits, orders and so on were often issued on grounds of political sympathies and other connections rather than on the intrinsic merit of a dynamic capitalist who would be able to start effective production. Many used state credits to raise their own standard of living and often allowed their licences, etc., to be exploited by the skilful but officially disliked Chinese.

In sum, rather than moving from a colonial to a national economy, Indonesia found itself in a national economic crisis. The economic policies of the nationalists and communists had torn the colonial economy to shreds, curbed the dynamic business enterprise of the Indonesian Chinese, and put a spoke in the wheels of the Muslim capitalists. In trying to be constructive the government had merely created a parasitic group of corrupt credit-and-licence holders.

In addition, the working class which had been asked to refrain from militant actions against "progressive national bourgeois forces" had to pay the costs of the economic crisis without any chance to protest if they wished to avoid government protection of the left as a whole.[15]

In India, however, the domestic capitalists were much stronger and independent economic developments more promising till at least the 1960s. By then it seems as if the easy substitution of imports and the expansion of the state sectors had reached its limit even if the economic problems never came close to those in Sukarno's Indonesia.[16]

The real problem was the lack of dynamics to replace the old measures. The government policy had been based on general protection of domestic business activities.[17] Thus, the huge and ineffective but labour-intensive petty commodity production survived.[18] Simultaneously, however, powerful business groups flourished through additional support in the form of not only protected markets but also cheap infrastructural facilities and finance, low taxes, government orders, etc.[19] Furthermore, this was paid for mainly by the consumers in the form of high prices and

indirect taxes.[20] And not only did various traders and producers have a stake in this huge accommodation of interests but so did the regulators themselves within the expanding central and local bureaucracies.[21]

Consequently, government policies became regulatory rather than redistributive and developmental. They were characterised by penetration from powerful private vested interests and also from extra-income seeking administrators and politicians.[22] Moreover, the high prices and indirect taxes restricted the expansion of the domestic market. Most of the producers were so well protected and had so many options—including administrative and political patronage—that they often put less emphasis upon making production more efficient in order to survive and make profit in many sectors.

These tendencies were apparent not least in the communist strongholds of Kerala and West Bengal.[23] Production-oriented capitalists in Kerala were weak. In Calcutta, foreign capitalists had been comparatively influential while the independent Bengali business community was weak. Also, traditional industries like jute were not modernised and the slackening of public investment hit Calcutta's engineering sector hard.

Bourgeois escape routes

Indonesian communists usually explained the contradictions between predicted national bourgeois interests and actual developments by the fact that their bourgeoisie was too weak while their Indian comrades argued that some of their capitalists were too strong and monopolistic.[24]

These views have their obvious merits but imply that it is necessary for an ideal bourgeoisie to exist in order to get development started. It is hard to identify such a bourgeoisie even in 19th century Europe.[25]

I find it more fruitful to argue that despite different levels of capitalist development, similar strategies based on assumed national bourgeois interests faced analogical problems–undynamic escape routes for the presumed bourgeois forces. And if the outcomes are similar we should look for a common cause.

It is obvious that communists could have made better analyses of the so-called national bourgeoisie. To begin with, the PKI as well as

the CPI mixed Lenin's and Stalin's perspectives: Lenin (and Mao) used to identify the national bourgeoisie from the point of view of political behaviour. But then Stalin's determinism was added to analyse and predict interests, capacity and future behaviour of the subjects.

We may, therefore, ask if a more consistent application of Stalin might not have been better? A clear-cut class analysis along his lines would in Indonesia have led to identifying the strongest domestic capitalists, the traditional export-producing ones on the outer islands, as the national bourgeoisie, and some rather conservative Muslim parties as its political representatives. In India it would have been an uphill task to distinguish between progressive production-oriented capitalists on the one hand and hoarding and trading groups on the other. Most businessmen stuck to both ways of making money. Moreover, there is some truth in the argument that small and petty businessmen were inclined to speculate, etc., while the big bourgeoisie, the politically conservative Tata family empire for example, was more productive. On the other hand it is quite obvious, that many of the weaker capitalists are held back because they have no control over markets and resources.[26] None of which is to say that poor capitalists are dynamic.

As far as the Leninist viewpoint is concerned, the Indonesian PNI and Sukarno and India's Congress party and Nehru can definitely be seen as political forces trying to carry out progressive national bourgeois ideas. A careful concrete investigation of their capacities could have followed. However, my brief evaluation of the applied projects shows that there was no decisive correspondence between the seemingly progressive political forces and capable and dynamic capitalists despite there being links between political leaders and capable big businessmen, especially in India. The politicians were unable to give priority to these links; they had to uphold a lot of other relations as well.

I, therefore, have to conclude that most of the existing domestic capitalists themselves were not eager to follow their ascribed national bourgeois interests, while relatively progressive leaders who tried to implement such ideas lacked a predominant and solid base in a dynamic business community.

But there were also important tendencies of development that seem difficult to take into due consideration with the use of predominant Marxist theories in South and Southeast Asia.

In Indonesia the "progressive bourgeois" leaders blocked dynamic developments within the Chinese business community, fought capitalists related to the former colonial economy, defended petty producers and traders and used their own political and administrative powers to offer protection, licences, concessions etc. to subordinated or even incapable businessmen rather than enter into production.

Similar political forces in India also defended small and petty business against big capitalists–foreign as well as domestic–but did not retard big and capable capitalists. These were also protected against foreign competition. People were taxed and their surplus offered to basic industrial development, supplemented with aid not least from state socialist countries. However, as in Indonesia, the leaders and administrators themselves often offered protection, licences, support, etc. So, when the market did not expand anymore, when the period of easy import-substitution and expansion of the state came to an end and the exploited and high-taxed masses did not get more money to buy with, many producers could survive by fighting for patronage and speculate. They thus escaped most of what makes capitalism dynamic: the need to compete by making production more effective and to produce and sell more by making the products cheaper in order to stay alive.[27]

In sum, Indonesian capitalists were weak. "Progressive" politicians and administrators did not strengthen them but turned themselves into middlemen. The Indian capitalists were much stronger. But similarly extra-income seeking politicians and administrators saw to it that capable businessmen were not compelled to function as progressive capitalists in order to survive.

We need better theoretical tools than those which informed the predominant political marxism to explain the dynamics of these bourgeois escape routes. I will return to this task in part III of the book.

National bourgeois agrarian change?

In both Indonesia and India most "anti-feudal" struggles were interwoven with actions against the colonial state.

In the early 1940s, workers and poor peasants in Indonesia[28] started occupying plantation land to cultivate edible crops and later on also to paralyse the colonisers. After independence, the squatters

were disinclined to move and received support from the communists and also nationalists among others. The traditional plantation economy was undermined. Ultimately many plantations were nationalised.

Co-operation between the old aristocracy and the colonial state had broken down. Some "feudal" privileges were done away with. The new state could not tax the peasants effectively. Inflation reduced some of their debt-burdens. Many peasants recovered the land that had been forcibly leased by the Dutch sugar companies. The nationalists were among the leaders of these movements. When old village leaders and others, who had co-operated with the Dutch, lost their influence and positions they were replaced mainly by nationalist and non-modernist pragmatic Muslim leaders, at least on Java. Moreover, the PNI took a militant stand against those devoted Muslim landlords and their followers who fought for an Islamic state.

The nationalists advocated a traditional peasant economy of independent small holders (*Marhaens*) who would work collectively. The front from above between the PKI and PNI/Sukarno made it possible for the communists to reach the countryside where the nationalists were influential. The PKI and its mass-organisations propagated land to the tiller but concentrated on concrete limited actions in defence of the "small people" and on attempts at collective self help. Their success was remarkable. From almost nothing the PKI became the largest party in Java in the 1957 local elections and received almost as many rural as urban votes. Finally, Sukarno and his nationalists introduced a bourgeois land reform in the late 1950s and early 1960s, which aimed mainly at securing the tenant's position and prescribed a ceiling on ownership of land.

It is usually argued that India offers typical examples of unsuccessful bourgeois land reforms. Let us remember what Daniel Thorner, the not too uncritical authority on India's rural development said, "the facts are that in India's first twenty-one years of independence (i.e., when Thorner made his statement) more has been done to foster change in agriculture, and more has actually taken place, than in the preceding two hundred years".[29]

Hardly anyone would dispute that the Congress party has not only talked a lot about the need for comparatively radical land reforms but has also introduced central laws and recommendations. Their land reform measures in various states have also abolished a

good deal of the so-called feudal characteristics. Princes have lost their powers. Zamindars and other intermediary tenures have been dissolved. Their tenants have been brought into a direct relationship with the state. Ceilings on land have at least held back further concentration of land and made it possible for most of the poor to survive on their land–as sub-tenants or labourers with sometimes additional incomes outside agriculture. The limited anti-feudal policies have also given more scope to sections of relatively well-off farmers, who have got most of the support and almost a tax holiday, while many comparatively large landholders have had to pay attention to the management of their land in order not to lose it. The low and scheduled castes, tribes and other weak sections have been defended while new state-sponsored institutions for rural government and development have been introduced.[30]

Of course the bourgeoisie was not perfect, "ideal". But as Ajit Roy, would argue, or Bipan Chandra or A.R. Desai among others despite differences in their analyses and recommendations, there is nothing strange in this.[31] The Indian bourgeoisie is not worse than anyone else; it is hard to find a perfect bourgeois agrarian revolution even during the historical development of Western Europe. The most serious remnants of Indian "feudalism" were done away with and the position of potential rural capitalists, the viable ex-tenants, was strengthened within a deepened commercial framework. However, despite "anti-feudal" ambitions and measures, dynamic bourgeois social and economic developments were lacking in Indonesia and frustrated in India.

In Indonesia,[32] the position of the squatters hardly improved by the nationalisation of plantations. I will discuss these effects in the next sub-section on problems of enhanced state intervention, here it is sufficient to note that powerful groups within the organs of the state saw their chance to resurrect the colonial economy under their own leadership. Every militant action made it possible to accuse the activists of sabotaging the nation's own companies.

Even more important, however, was that the front from above between communists and nationalists set an unexpectedly narrow framework for "anti-feudal" struggles. First, the communists reached peasants whom the nationalists had gathered mainly on Central and East Java, in competition with Muslim leaders. The use of patronage and the stressing of cultural, including religious, differences had been revived not least during the competition for votes on the eve of

the first parliamentary elections in 1955.

Second, the main problem so far was not that the PKI had reached out to only specific parts of the country and to rural communities with contradictions, alliances and loyalties that were far more complicated than what was assumed in the party's analytical and strategical points of departure. Such problems were revealed later when the communists really tried class struggles. But this time they could hardly get off the ground. Land grabbing was not on the agenda but the so-called anti-feudal nationalists felt threatened because the already very cautious, though comparatively successful, work among petty and landless peasants to make them less dependent upon their patrons was enough to make them vote communist. The local leaders took an open stand against the PKI. The central ones postponed further elections and stripped elected organs of their powers. There was an obvious risk that the front from above would fall to pieces and thereby the protection of the party. The PKI-leaders thus prescribed an extremely defensive line at this early stage in order not to disturb Sukarno and the PNI and not even their new Muslim allies, the so-called patriotic landlords. Meanwhile production stagnated.

In India the Congress party was not afraid of big landlords, princes et al. and did contribute to the development of ex-tenants with the potential to farm but became extremely dependent upon the latter and adapted a very cautious attitude towards them.[33] The many loopholes in various land reforms laws that the ex-tenants found were rarely plugged. They benefited from low taxes and subsidies. Their tenants were left behind and more so their labourers. Sub-tenants were only viewed as labouring partners.[34] Attempts at more radical bourgeois land reforms–such as the one proposed by communists in Kerala–were thus looked upon with suspicion, and, at least initially, actively fought.[35]

The Congress was not only afraid of losing the support of the rural well-off but also of the poor.[36] They were thus protected against drastic proletarianisation, extreme caste repression etc. Their pauperism was not abolished and neither was the caste system. Most of them continued to reproduce themselves as they had done before.[37]

Consequently, the result of India's quite drastic struggle against big landlords for emerging farmers was, at least till the late 1960s, petty landlordism. Most scholars maintain that new peasants with a

potential to become farmers usually found it more profitable to demand rent from share-croppers and to supplement their incomes with trade and moneylending, etc., than to shoulder all the risks involved in agricultural production and reliance on labourers only.[38] Middle-caste organisations were revived as a kind of competing associations.[39] Community development and government organs including semi-state trade and credit co-operatives were penetrated.[40]

The central government, despite radical recommendations and ambitions, was unable to intervene and to alter this situation without undermining its own base. Industrialisation had been given priority. It was felt that agrarian development would emerge almost automatically out of the agrarian reforms and similar changes in the social structure. When this did not come about there was little money left to subsidise investments in agriculture and raise the prices of peasants' output and thereby artificially make it more profitable for the rural well-off to abstain from rents and speculation in favour of promoting production.[41] Moreover, it was not the comparatively radical central government that had the main responsibility for land reforms, etc., but the various states where the governments were even more dependent upon support from the rural rich and their clients.[42] Finally, if and when central and state money was injected into irrigation or co-operatives, the resources were not only monopolised by the rural rich but quite often also used by them to sell and buy patronage and to further support their unproductive ways of enriching themselves.[43] Agricultural production stagnated till the second part of the 1960s when a new policy was introduced.[44]

Extra-economic options

The common perception among South and Southeast Asian communists is that the Indonesian bourgeoisie was too weak to enforce radical agrarian change while the Indian bourgeoisie, despite its relatively much stronger position, could not cope with the "remnants of feudalism" because the landlords were more powerful than in Indonesia. The problem is, however, that neither the weaker nor the stronger bourgeois forces demonstrated any decisive attempts at really doing away with extra-economic forms of exploitation once they had domesticated the big landlords et al. who had been co-operating with the colonial state.

So again, it seems to be more fruitful to depart from the argument, that despite differences like stronger capitalists in India and much weaker landlords in Indonesia, similar strategies based on ascribed bourgeois interests in anti-feudalism faced analogical problems–ex-tenants found easier ways than the capitalist one of extracting surplus. Does my superficial evaluation of the political approaches indicate not only common results but also similar causes?

The complicated Indonesian developments up to the early 1960s[45] do not reveal any strong resistance on the part of the urban, and perhaps not even rural nationalists, against anti-big-landlordism. It was in fact Sukarno and the PIN–not the PKI–that initiated land reform programmes in the late 1950s and early 1960s. However, the nationalists in general and their powerful rural followers in particular became very nervous when their political and administrative positions, rather than assumed big landownership, were threatened. As far as I can see, this indicates that the rural nationalists were less potential farmers than administrative and political patrons who based their surplus extraction more on control over local organs of the state than on private ownership of land.

Could the PKI have made better analyses of these complications without altering the theoretical perspectives that informed its brand of political marxism? The problem is that the questions that follow from the predominant perspectives are tied to a conventional European understanding of feudalism, such as exploitation based on monopoly of land. Consequently, one looks for correlated indicators and does, of course, find quite a few. It is also provoking that many of the alternative approaches, which stress specific Asiatic characteristics, end up underlining quite egalitarian social structures in the villages while it is obvious that some are much more powerful and well-off than the majority. And finally, not only the communists but also the nationalists were rooted in the combined struggles against the colonial state and its feudal-like landed collaborators.

There is a need to explore alternative approaches to explain the roots of power among the rural patrons which made it possible for them to evade capitalistic forms of surplus extraction. My evaluation of PKI's political project in the 1950s and early 1960s does not allow further elaboration. We have to wait for additional indications from the evaluation in the next report on peasants of PKI's attempts to

put its class analysis of rural Java and a more militant strategy into practice from 1963 onwards.

In India the Congress party was even more inclined to proclaim anti-feudal reforms. And the viable former tenants had obviously demonstrated their interest not only in anti-colonialism but also in anti-big-landlordism. My evaluation reveals limited further interest in bourgeois agrarian development among the new potential farmers. On the contrary, they almost immediately started to develop new positions as petty-landlords by enforcing continued protection from their political representatives and allies within the various organs of the state who were in desperate need of their support. Thus, the new propertied peasants could exploit loopholes in the land reform laws, retain the tenants they needed, penetrate and mobilise new government support as well as local organs of the state and distribute some patronage to the poor.

These options to evade new progressive bourgeois solutions were thus rooted in the relations of class power.[46] Potential farmers existed, most big landlordism had been abolished, markets were available, and so on.

The Indian communists could have made better analyses of the new petty landlordism and why it prevented progressive developments without altering their theoretical tools. Extra-economically based appropriation of surplus continued to be used. But the causes for why the previously anti-feudal tenants turned to petty landlorism in the first place were more difficult to address. This had more to do with political protection of the ex-tenants as well as the poor rural masses.

To summarise, the experiences in Indonesia up to the 1960s indicate that the socio-economic basis of the peasants with a potential to become farmers were not only ownership of land but also administrative and political positions within the local organs of the state. They could thus evade bourgeois developments by using the latter bastions for their extraction of surplus.

The ex-tenants in India, on the other hand, were indeed more rooted in their land, but could enforce sufficient political and administrative protection–which also spilled over to the rural masses–to escape much of the progressive logic of capitalism: to compete, invest and produce cheaper and more.

National bourgeois democracy?

During the first two decades of India's independence, parliamentary democracy was, in comparison with many other post-colonial societies, remarkably stable.[47] Representative organs of the state had been established and the Congress party had nurtured them during the closing decades of the British raj. After independence they were given more powers. Democratic rule was extended to the whole nation and all citizens. Elections were held on several levels. The executive organs of the state remained powerful. But they were formally and sometimes also actually subordinated to the representative organs. And the judicial state organs were impressively independent, again in a comparative perspective. All political parties, including communist ones, were allowed and there was freedom of the press etc. There were no signs of military coups. Despite all the freedoms in this huge country-continent, with so many different cultures, languages, religions, levels of economic and social development etc., the political structure and system was not as fragmented as it might have been. The Congress party dominated on a nation-wide scale. Even powerful rural forces with some feudal-like characteristics followed suit and used the representative organs in general and their capacity to mobilise votes in particular to reproduce their own positions. Finally, even though the comparatively strong Indian bourgeoisie definitely influenced and penetrated the representative as well as executive organs of the state, the autonomy of politicians and bureaucrats was impressive.[48]

Though it may sound strange these days, and given the fact that the stability of India's democracy was and is unique, Indonesia's attempts at people's rule[49] were also comparatively consistent until the end of the 1950s.

Despite the lack of any important representative organs under the Dutch, and despite the very fragmented struggles for liberation, with very many different organisations and patrimonial leaders, the new Republic first developed a functioning parliamentary system and then turned to more presidential powers with a democratic framework.

While it is true that Indonesia never reached India's level of autonomy between the representative, executive and judicial organs of the state, attempts at military coups–backed by frustrated elitist "social-democrats"–were actively and successfully fought not least by

President Sukarno and the nationalists. So were also regional rebellions, some of which were sponsored by agencies such as the CIA and some with ideas of an authoritarian muslim state. Moreover, the communist party was admitted important freedoms. Despite all the turbulence, the so far only free and clean elections that have been held in Indonesia took place to the parliament in 1955 and to regional and local organs in the reasonably stable parts of the country in 1957.

Also, as in India, many feudal-like rural patrons adapted themselves to the new trends and successfully collected votes to uphold their positions. If we set aside the previously discussed abuse of political and administrative powers on the part of the politicians and bureaucrats, the latter were even less dependent on vested interests rooted in private business groups than in India.

On a superficial level I could, therefore, conclude that the so-called political representatives of national bourgeois interests undermined pre-capitalist political monopolies, upheld a relative autonomy (acceptable to capitalists since they could rely on private ownership and economic control of the masses) and introduced democratic forms of government to solve contradictions among powerful groups and to uphold law and order. However, an evaluation of the strategies in India and Indonesia that were based on such assumptions point in other directions.[50]

First, in each of the countries most of the votes were mobilised with the use of traditional loyalties, especially in rural areas. This pattern revived cultural, religious, caste, ethnic, regional and other loyalties, and consolidated, though in a new garb, patron-client relationships. Consequently, powerful rural patrons were favoured by the introduction of "modern" democracy.[51]

Second, this tendency was further strengthened by the fact that full democratic freedoms were not accepted at the very local levels. Indonesian patrons were, as I have discussed earlier, terrified by the communist advances in the 1957 local elections and relieved by the so-called "guided democracy" that followed. The "new order" regime that came to power in the mid-sixties elaborated on this line and prevented political activities at the village level through its "floating mass" doctrine.

Similar ideas, though not so strict or strongly enforced, were present also in India. During the period under review, parties were not allowed to compete in village level elections and the poor were

thus left without potential organisational backing.[52]

Third, there was some ambivalence at more central levels as well. When Sukarno and the nationalists had conquered the representative and a good deal of the administrative organs of the state, they preferred to share them with the army rather than to risk them in electoral competition with communists. They proclaimed a state of emergency (formally because of the regional rebellions and the struggles against the Dutch) and introduced the aforementioned "guided democracy"—a combination of strong presidential and central army powers over corporations of peasants, workers, administrators et al. and some acceptable parties which, before the "new order", included the PKI.

Even the Congress party felt threatened now and then. For example, the first elected communist-led state government—in Kerala—was overthrown in 1959 under the leadership of the same Mrs. Gandhi[53] who finally, in 1975, proclaimed the nation-wide state of emergency, to which I shall return in a short while.

Elite and patron democracy

It is common among communists to explain the problems of so-called bourgeois democracy in India and Indonesia by applying a somewhat longer perspective, one which includes the breakdown of democracy in Indonesia during the 1960s and its restoration in India after only a few years of emergency. They argue that the differences had to do with a much stronger national bourgeoisie in India than in Indonesia.

However, when the domestic bourgeoisie was extremely weak in Indonesia, the likely political representatives fought actively for democracy. But when they began to consolidate and further develop their positions, not least with the use of the state, they undermined the democratic processes.[54] Although the Indian developments are less drastic, one can hardly argue that the increasing problems of democratic rule, which were indicated by the evaluation of communist politics during the period under review, were qualitatively different or that they were correlated with weakened domestic capitalists.

Once again it is necessary to re-examine the evaluation of marxist assumptions and political strategies in the search for similarities that can help us understand common problems.

No doubt, politicians, administrators, and judges had a lot of autonomy during the period under review in Indonesia[55] as well as in India. Sukarno and the PNI as well as the Congress party–the assumed agents of national bourgeois interest in liberal democracy–did fight old political monopolies, tried to solve contradictions between powerful groups, and to uphold law and order.

However, their autonomy is not in any easy way related to a capacity of the domestic capitalists to reproduce their positions on their own. On the contrary, as I have discussed earlier Indonesian capitalists were either extremely dependent upon political patronage or about to emerge as speculators who utilised their positions within the organs of the state. And the Indian capitalists based a lot of their activities on government protection and support.

Also, private capitalists in both countries were totally incapable of mobilising broad support. They were entirely dependent on feudal-like patrons, traditional elites, etc., who drew on "pre-capitalist" ideologies.

As far as I can understand, this indicates that the development of democracy in India and Indonesia had more to do with the interests of traditional patrons and elites to reproduce and further strengthen their own positions than with an emergence of independent capitalists who would not need to use extra-economic powers to foster their positions.

The fact that, within this framework, patrons and elites in India were more securely based on private property and traditionally rooted respect for intellectual-elitist leadership than in Indonesia might explain the more stable and well developed democracy in India as compared with Indonesia. In Indonesia they had to rely much more upon political and administrative positions, and these could be directly threatened by, for example, communist electoral advances.

References

1. For the Indonesian developments dealt with, see Törnquist (1984a) pp. 66f.
2. See, e.g., Sundaryya (1972) and Ram (1969) Ch. 1, (1971) and (1973).
3. See Törnquist (1984a) pp. 63-65.
4. Ibid.
5. Ibid, chapter 6 "A new strategy".
6. Ibid., especially pp. 69f.

7. Ram (1973) p. 300. Also, interviews with Dange and Basavapunnaiah (18/3) who both participated in the delegation. According to Basavapunnaiah, Stalin "drew out a new programme", meant that the Indian communists should get closer to the "bourgeoisie as a whole" and advance in a peaceful way and signaled that "Madiun had been wrong" and that this was "not the first time". No PKI people had been directly present in the discussions with Stalin but at the spot in Moscow. Previously, I have stressed the pioneering role of PKI and Aidit in relation to the development of the new strategy in Indonesia in the early 50's. To my knowledge, there has been no research on influences from Moscow–only on Aidit's references, a bit earlier, to a presumably made up visit to Vietnam and China. Cf. Törnquist (1984a) p. 63.
8. For the following–to fn. 9–see e.g. reviews in Ram (1969), Sen Gupta (1972), Brass (1973), Overstreet/Windmiller (1960), Chandra (1981) and sources in Documents of the history of . . . (1976) and (1977).
9. Cf. Frankel (1978) p. 211.
10. Cf. Chandra (1974) and (1981) pp. 308f. I also draw on interviews with Mishva, who talks about "guess work" and that the leaders always were prepared to adopt the Indian capitalists to international theoretical and strategical prescriptions, not the other way around, and with Chakravartty, who stresses the predominance of analyses of the political situation and that the leaders did not do any "homework" but took over official investigations etc.
11. Cf. e.g. what Balaram had to say in his discussion with me "we cooperate (with bourgeois forces, O.T.) to the extent that they are anti-imperialist", and what Indrajit Gupta said "We were, right or wrong, mainly judging progressiveness by to what extent they stood up against colonialism etc. or not. This is still the main factor".
12. On Indonesia, see Törnquist (1984a) pp. 86-88 and on *Marhaenism,* see original texts in Indonesian political thinking (1970).
13. On India, see, e.g., the general reviews in Frankel (1978) and Desai (1984).
14. On Indonesia, see Törnquist (1984a) pp. 88-92 supplemented by Robison (1986).
15. On the workers' problems, see Törnquist (1984a) pp. 144-147.
16. See, e.g., Frankel (1978) and Sau (1981) for general reviews plus Bardhan (1984) for specific arguments on the role of the state expenditures.
17. See e.g. Levkovsky (1972) i.a. pp. 449 and 632ff., Malyarov (1983), Patnaik (1975) i.a. pp. 148f. and 159 and Roy (1965) p. 270f.
18. Myrdal (1968) p. 1099 and cf. Sen, A. (1982) p. 107ff., 117-119.
19. See fn. 17 and Roy (1975) and (1976) i.a. ch. 11 plus Kochanek (1974), Chandra, N.K. (1979), Oza (1971), Hazari (1967), and Bhagavan (1987) p. 62.
20. Cf. Patnaik (1985), pp. 146f.
21. For a recent convincing analysis, see Bardhan (1984) but also the previous and more general Kochanek (1974) and, of course, Myrdal's (1968) classical argument on the soft state.
22. Cf., eg. Kochanek's (1974) conclusions on p. 329, Bardhan (1984), p. 38f., Goyal (1979) and Malyarov (1983), referring to Goyal, pp. 288ff., Sen, A. (1982) and, for a fine case study, Harriss (1984).
23. See, e.g., Nossiter (1982) i.a. pp. 270 and 283f., Issac (1982), Leiten (1978), and E.M.S. (1984) i.a. p. 72f. for Kerala and, for a general review of West Bengal, Pedersen (1982).
24. The arguments will be spelled out in the following chapters on the national democrartic state position and big-capitalist state position respectively.
25. Cf., e.g., Anderson (1974), Andersson (1981), Berend/Ranki (1982) and Gunnarsson (1985) for some studies that inspire me.

26. See, e.g., Bardhan (1984), p. 48f., Chandra, N.K. (1979), Chattopadhyay (1969), Hazari (1967), Kochanek (1974), on fragmentation, pp. 100f. Also, I draw on interviews with Chattopadhyay, Goyal, Mishra, Patnaik and Surjeet.
27. Cf. Brenner (1976) and (1986).
28. For Indonesia see Törnquist (1984a) ch. 12 "The mobilized peasant society", pp. 128-134.
29. Thorner (1980), p. 245.
30. See, e.g., Desai (1984) section IV, Chattopadhyay (1975) and Sen, S. (1982).
31. Chandra (1974) and (1981), p. 388, Desai (1984), pp. 158f. and Roy (1975), pp. 26-28. I also draw on interviews with Chandra, Desai and Roy.
32. For Indonesia, see Törnquist (1984a) ch. 12 "The mobilized peasants society", pp. 134-138.
33. I'm inspired by similar arguments put forward by Bipan Chandra in a discussion 1985.03.15; Cf., also, Chandra (1979b).
34. Sen, S. (1982) i.a. p. 52 and Bandyopadhyaya (1981).
35. See e.g. Herring (1983). I will return to peasants' struggles in the next report.
36. See fn 33.
37. For the general argument, see, e.g., Frankel (1978), Chattopadhyay (1969), pp. 237f. and Joshi (1975).
38. I will penetrate these questions in detail in the next book on the peasants.
39. Cf., e.g. Desai (1984), p.187 and Chandra (1979a).
40. See, e.g., Myrdal (1968), pp. 299, 887-91 and 1346ff., Frankel (1978), pp. 24ff. and 189ff. and Bardhan (1984), pp. 52ff.
41. Cf. Frankel (1978), pp. 118, 131, 154f.
42. E.g. ibid., pp. 92, 127f.
43. Fn 40.
44. See Raj (1984), Djurfeldt (1985) and cf. Bardhan (1984), table 6, p. 92.
45. For Indonesia, see Törnquist (1984a), pp.138-140.
46. Cf. Brenner (1976).
47. For India, see Martinussen (1989). A short summary in English of his voluminous original book is available, Martinussen (1982), with regard to the problems of democracy. (My critical remarks on his results will be dealt with in part III.)
48. Kochanek (1974), Frankel (1978) i.a. pp. 32f.
49. For Indonesia, see Törnquist (1984a) ch. 11 "Democratic cul-de-sac", pp. 112-18.
50. For Indonesia, see ibid., pp. 118-121.
51. Besides Martinussen (1980) and (1982), see Frankel (1978), pp. 21, 24ff. and my fn 39.
52. Cf. the discussions and investigations referred in Panchayati raj.... (1984).
53. See, e.g., Nossiter (1982) and c.f. K. Damodaran's interesting remark in Memoir... (1979), that Nehru suggested new elections as a way of solving the crisis before the government was overthrown. A review of similar Congress interventions till 1975 was made by Roy (1975).
54. See Törnquist (1985) for an extended version of the argument and a comparison with Martinussen's results.
55. Cf. Törnquist (1984a), pp. 122-125.

2

The National Democratic State Position

TURNING TO THE STATE

During the late 1950s in Indonesia as well as in India, communists became increasingly frustrated with the incapacity of the so-called national bourgeois forces to fight consistently for independent economic development, agrarian change and liberal democracy. Progressive capitalist development seemed to be blocked. The communists claimed that weak national bourgeois forces were held back not only by imperialism but also by landlords and monopolistic capitalists. At the same time it was quite obvious that certain political leaders like Nehru and Sukarno–or Nasser or Nkrumah or Castro–successfully mobilised broad popular support in favour of state-led radical economic and social development.

These tendencies were carefully analysed by Eastern European communists as well. Could it be that capitalists in many third world countries were so weak, that they could not dominate the states? Therefore, the question about what development policies the governments could choose and implement was a rather open one? And could it be that radical nationalist leaders–rather than weak communist parties–could take over the state organs in countries with relatively tiny proletariat and implement policies which would be neither capitalist nor socialist but "non-capitalist"?

Indonesia

The PKI became increasingly dependent upon Sukarno's protection.[56] Many domestic capitalist rallied behind regional rebels rather than the nationalists and looked for support outside the government. They sought it within sections of the army, among Muslim groups, and also outside the country, for example in Washington. The nationalists within the PNI and their pragmatic East Javanese Muslim partners had failed to initiate an independent

economic development and became more and more frustrated with communists, who took over their clients and threatened their political and administrative positions. Sukarno as well as the nationalists had thus several reasons to welcome powerful support from the army leadership. General Nasution ignored the PKI and preferred to enhance the power of the army leadership by staying with the central government in relation to rebellious colleagues in the outer provinces. Finally, the communists were not strong enough to stay independent; militant peasants' and workers' struggles would have meant abandoning Sukarno's patronage.

At the same time, however, Sukarno became more and more radical. He proposed broad coalition governments which would include the communists but not the parties supporting the rebellious "anti-communist compradors" He intensified the struggles against imperialism in general and the Dutch in particular. He initiated better relations with the existing socialist states and so on. Obviously, said the PKI, the state was quite autonomous.

Thus, the communists decided to support Sukarno's ideas of a more radical state-led development–including nationalisation of foreign companies, state-directed trade and industrialisation plus agrarian reforms–simultaneously with struggles against imperialists and their domestic allies. The PKI was prepared to pay for this and Sukarno's patronage with a positive attitude to a strong presidency and somewhat postponed parliamentary elections.

India

New ideas among Eastern European political marxists about the so called non-capitalist path for underdeveloped countries were informally suggested to Indian communists already by 1956. It was argued that the state in countries such as India was not an appendage to private monopoly capitalists as in advanced Europe or in the United States. Under the leadership of progressive nationalists like Nehru, the state could be used to foster independent industrialisation, agrarian change, etc. The national bourgeoisie could not advance without state support against imperialism and feudalism and state capitalist of *this* kind was a step towards socialism.[57]

The approach was well received by CPI-moderates, while radicals rejected it. The centrist general secretary (Ajoy Ghosh) maintained that it was correct to stress differences between the Indian state and those in advanced capitalist societies but dismissed the idea that Nehru's government was about to advance towards socialism in a peaceful way. Moreover, the national bourgeoisie was not only interested in anti-imperialism and anti-feudalism but also in exploiting and repressing the people with state support. In short, a non-capitalist path of development might be possible but not under the present bourgeois leadership.[58]

Because of the harsh conflicts within the CPI, it was only after the radicals and some centrists had left the party in the mid 1960s and started their own CPI-M (to which I shall return in the next chapter) that the national democratic state position became predominant within the remaining CPI.

India's development stagnated in the 1960s and was further bedevilled by a series of bad harvests and famines in certain areas. The central government became more dependent upon foreign aid, particularly from the United States, and had to devalue the rupee by more than 35% in 1966. Also, Nehru had died and so had his weaker successor Shastri less than two years later.

Economic and social problems were thus combined with severe political uncertainties. The various interests and movements that had been co-operating within the Congress party surfaced and began to compete more intensively. Radical groups, within as well as outside the established parties, tried to mobilise the exploited and hungry masses. Mrs Gandhi, who finally replaced her father, tried to restore unity and order within the Congress party by relying upon the executive organs of the state and radical populist rhetorics as against conservative party bosses et al.[59]

The remaining CPI took a positive stand towards Mrs. Gandhi's policies and soon maintained that she represented the progressive anti-imperialist, anti-feudal and anti-monopolistic tendencies within the Congress party and the domestic "national bourgeoisie as a whole". Moreover, she wanted to solve the economic and social problems not only by attacking big business and conservative landed forces but also by extending the public sector, co-operating with the existing socialist states and the CPI, and perhaps even by allowing

communists into government. Finally, Mrs. Gandhi and the CPI were equally interested in fighting the more radical communists in the new CPI-M.[60]

Of course, the CPI leaders realised that "non-capitalist development" was originally meant for countries with much weaker capitalists than India. They argued, however, that it should be possible to struggle for a "national democratic government"—one which would include communists on an equal basis. It was envisaged that such a government could use the organs of the state to prevent further development of private big capitalism, initiate an alternative path based on an expanding public sector, provide state guidance to progressive capitalists and be rooted among intellectuals, peasants and workers.[61]

THE SUPPORT FOR STATE-LED DEVELOPMENT EVALUATED

Favourable prerequisites

Initially, the strategies in support of national democratic state-led development in Indonesia during the late 1950s and early 1960s and in India, on the part of the CPI, from the mid 1960s till the late 1970s were quite successful and confirmed much of the theoretical and analytical assumptions involved.

In Indonesia[62] not only Sukarno and his nationalists but also the central army leadership actively fought against rebels co-operating with Western powers, including the CIA. PKI's main enemies on the political scene were isolated, and over the years even outlawed, while the communists received continued patronage.

Struggles against the Dutch, who refused to give up Western New Guinea, made it possible for nationalist and communist trade unions to initiate nationalisation of Dutch companies under the auspices of Sukarno. Soon enough the army used the state of emergency to take over the rest. The huge shipping line and other transport companies, trading houses, banks and some 540 plantations (two-thirds of all the plantations in the country) were, among others, confiscated. Hundreds of industrialists and other business leaders were replaced. Later the army also took over companies owned by the Chinese Indonesians who were close to Taiwan and supported the Indonesian rebels. Moreover, suggestions to privatise the companies were rejected. In 1958 all plants were declared state property. To this

should also be added a considerable number of already existing state-owned enterprises and the established practice of state interventions in the economy.

While fighting Western imperialism, Sukarno as well as the central army command welcomed support from state socialist countries. Within a few years Indonesia became the largest non-communist recipient of military assistance and the third largest recipient of economic assistance from the Eastern bloc, after India and Egypt.

Finally, Sukarno and the radical nationalists introduced the previously mentioned land reform laws and integrated them as well as the state-owned enterprises, aid from the Eastern bloc, etc., into extremely ambitious development plans. These incorporated Sukarno's concepts of "guided democracy", "guided economy", the consensus-oriented "*Pañca Sila*" (five principles) and his radical political manifesto as a framework.

So far one must conclude that the Indonesian developments came up to PKI's expectations. In a society where the private bourgeoisie had proved weak, there was obviously room for far-reaching and comparatively autonomous actions from within the state by progressive groups without a distinct class basis. Even the central army command took a radical position. The dynamic sections of the economy were now under state command and land reforms were about to be implemented. "Pro-imperialist forces" were fought, communists were protected and state socialist countries offered their support. The prescribed pre-requisites for so-called non-capitalist development were obviously present.

For many years Indian developments[63] seemed to confirm the CPI-approach as well. During Mrs. Gandhi's struggles within the Congress party, she finally did away with the more conservative groups which had strong positions within the party apparatus and also, perhaps, closer links with business and landed interests, especially at the state level. Radical Congress members strengthened their positions and communicated with CPI-leaders. The CPI's support for the Congress(I) from the late 1960s and onwards was well received by Mrs Gandhi.

In 1969 the Congress party finally fell apart. Mrs Gandhi and her Congress(I) developed populist socialist rhetorics, declared war against poverty, talked a lot about implementing land reform laws, nationalised banks, insurance companies and coal mines, tried to do

away with the traditional form of centralisation of capital in India, the managing agencies, and tried to prevent further monopolisation by intensified licensing.

In 1970, the CPI in Kerala[64] gave up its co-operation with the CPI-M and formed a new state government with the Congress(I) led by CPI's Achutha Menon and endorsed in Delhi. Within this government the Congress(I) actually contributed to the implementation of land reform measures in Kerala. In the 1971 national parliamentary elections, Mrs Gandhi totally eliminated most of her conservative Congress rivals.

Foreign policy was equally progressive according to CPI-standards. The Twenty-Year Treaty of Peace and Friendship with the Soviet Union was signed in 1971. The local enemy Pakistan supported by the US and China, was effectively fought during the Bangladesh war of liberation.

However, Mrs Gandhi and her Congress(I) could not live up to the expectations that had been generated. She faced hard resistance, not least in Gujarat and Bihar from, among others, old Congress colleagues, who managed to rally a lot of extra-parliamentary opposition among middle classes. She fought till the end and, finally, in June 1975, declared a national state of emergency as a response to "the deep seated and widespread conspiracy which has been brewing ever since I began to introduce certain progressive measures of benefit to the common man and woman in India."[65] Five days later she announced a Twenty-Point Economic Programme that promised enforcement of all the progressive policies which she claimed that her enemies had retarded. Some of these were land reforms, better housing, measures vis-a-vis rural debts and bonded labour, higher agricultural wages, lower prices, higher production, the prevention of tax evasion and creation of more jobs, etc.[66]

According to the CPI, which came out in total support of Mrs Gandhi and her emergency:

> The recent developments inside the country signify that political differentiation and conflict inside the Indian bourgeoisie has reached a new stage, unprecedented since Indian independence. This stage is characterized by the fact that those representing the anti-imperialist democratic sections of the bourgeoisie have been forced into using the repressive organs of state power against those representing the pro-imperialist and most reactionary, pro-monopoly, pro-landlord, anti-communist sections. This situation opens up the most favourable possibilities for strengthening the united front of the working class, peasantry and other toiling sections with the anti-imperialist democratic national bourgeoisie in common struggle against right-reaction, and for moving this section of the bourgeoisie into more radical socioeconomic positions in the very interests of this common struggle. This is the process through which progressive shifts in state power can be brought about in a national-democratic direction.[67]

Unfavourable outcomes

Despite the fact that the prerequisites were present for a transition that could lead to non-capitalist development according to the PKI as well as the CPI, the results were disastrous.

In Indonesia[68] the PKI maintained, that the nationalists and the communists were politically the strongest and could acquire decisive influence over the character and policies of the state which lacked a distinct class basis. Indeed, they were instrumental in initiating the nationalisation of foreign companies but only a few weeks later the military took over from the union activists and politicians. According to the PKI, the time was not yet ripe for workers' control and socialism but only for state management. The bureaucrats and politicians, however, were incapable of management and were generally looked upon as corrupt after years of scandals. Most private businessmen were either linked to these leaders or to those who had sided with the rebels. If the plants were to be turned into state property, the army was, thus, the only alternative. It has had due time to establish its men, who were starved for additional incomes, at the company levels.

Once rooted, the military business-officers co-operated with "loyal" civil administrators in various organs of the regional and local communities as well as in Jakarta. The companies were mismanaged and profits misappropriated. They army got its own funds. Substantial parts of the surplus, benefits, orders, et., were personally appropriated and distributed within renewed patron-client structures, which also included civil bureaucrats–without any private, co-operative or collective owners (besides the state, the nation) risking and losing anything. Private businessmen were associated as

partners. Also, some officers needed help in laundering their money and to invest it privately. The trading houses and the possibility of controlling the allocation of licences and concessions were most profitable.

Soon enough the military advanced into the rural areas. For example, a lot of Chinese trade was prohibited in 1959. (The PKI at least spoke about racism.) The official argument was that there should be room for state buying and for co-operatives. But while civil and military administrators benefited, Chinese were discriminated, the peasants got lower prices and produced less, and the townsfolk had to pay high prices.

The noble eight-year development plan that was a cornerstone in Sukarno's "guided economy" became increasingly unrealistic. Almost no money reached the planners who were, in any case, powerless.

It should be added that the now deepening economic crisis was caused also by the bad state of affairs within many of the companies before they were nationalised. The Dutch had recognised that they did not have a bright future in Indonesia and had abstained for quite some time from reinvestments, etc. Also, many Dutch ships managed to escape to foreign ports and this added to the problems of upholding production and transport within the archipelago caused by the rebels.

The new masters were extremely successful in one respect–they managed to control labour in a way that nobody else had done since the Japanese occupation. Squatters, workers, et al., hardly benefited. And when they raised their voices they were first told of the need to uphold production in government owned units in order to fight imperialism, and secondly threatened by repression. When communists objected, the parliament was dissolved. Members of the party-leadership were detained and interrogated, party-papers were banned, workers' leaders arrested, strikes stopped and all political activity prohibited for several months. This continued till Sukarno intervened with his patronage and the PKI central committee (in December 1960) declared that the class struggle must be subordinated to the national struggle.

The army and the PNI were most active in urging Sukarno to introduce the previously mentioned "guided democracy". With the new relations of power, however, the effect was the postponing of elections and the introduction of presidential rule. The military were well represented in the new cabinet while the communists were

absent. Parliamentary representation through corporations like peasants, workers, civil servants, youth, military, etc., was enforced parallel to the few remaining parties. All political groups had to follow the state ideology *Pancа Sila* (at that time: nationalism, internationalism, democracy, social justice and faith in one God) and deliver complete lists of their members. Senior state administrators, civil as well as military, at all levels, were prohibited from being members of political parties. The local leaders who had been elected in 1957 were replaced by centrally appointed ones which meant that most communist representatives disappeared. The land reform laws that Sukarno and his radical nationalists in Jakarta introduced in the late 1950s and early 1960s remained on paper.

The PKI became increasingly frustrated; the largest communist party in Asia next to the Chinese was effectively domesticated. The central committee declared (in December 1960) that non-capitalist development remained to be realised in Indonesia. And when the Moscow leaders counted Indonesia among the so-called national democracies, the PKI protested arguing that they were not even represented in the coalition government.[69] The PKI was looking for alternative theoretical tools, analyses and strategies.

In India too, the state was not capable of initiating the so-called non-capitalist development despite Mrs Gandhi's ambitions, her stress on increased political and administrative powers and guidance plus attempts to renew the Congress party.[70]

The nationalisation of banks and new emphasis on licensing, among other measures, made business communities more dependent upon politicians and bureaucrats. This did not lead to any decisive redistribution in favour of weaker groups but rather fostered extended regulations–including the possibility for key figures to demand compensation for their services and for businessmen to compete for state support instead of competing in an open market. When Mrs Gandhi tried to change the situation by giving businessmen somewhat more freedoms without altering the structures of power and thereby increase the demand for various products, most of them seemed to consolidate their positions rather than to expand.

Agricultural production did increase in the late 1960s and early 1970s. This was not because of suddenly well implemented land reforms, which were rare anyway, but the result of the initial

measures of the green revolution which were introduced in a few areas. They benefited mainly well-off peasants and petty landlords plus those who controlled the distribution of inputs and credits.

Moreover, the new agricultural policy was not followed by massive radical opposition on the part of the rural masses–which many had expected–but rather by greater demands on the state from the new farmers. They wanted more and cheaper inputs, more favourable credits, and better prices but not the tax on their land and incomes which the state governments were in desperate needs of but did not dare to enforce.

To this we should add also that the division of the Congress party and Mrs Gandhi's electoral victory in 1971 plus the alliance with the CPI did not signal an effective and well-rooted political organisation outside the state organs. The 1971 electoral triumph was rather a populist and ideological one over old institutions and loyalties. Many party bosses with firm local bases had been replaced by Mrs Gandhi's agents who, however, had little powers of their own and were quite incapable of implementing what she asked for. The situation was not altered when quite a few of the old bosses returned to Congress(I) after 1971. Either Mrs Gandhi did not trust them, or they were powerful enough to abstain from implementing her ideas. Though support from the CPI gave her a radical image among the Indian poor as well as in Moscow, the CPI-communists were organisationally very weak as compared to the CPI-M. And to the extent that the leaders were engaged in extra-parliamentary work, this was mainly carried out among influential civil servants within the organs of the state.[71]

Finally, no matter how one analyses the the popular opposition against Mrs Gandhi and the Congress(I), which became evident in 1974 and made her declare the state of emergency, the opposition did signal considerable dissatisfaction with the abuse of state powers: It was mainly middle class people who revolted. Many of them protested against the way in which Mrs Gandhi tried to monopolise state organs and to undermine the independency of the judicial ones besides supporting private monopolies and thwarting changes from below in the civil society.[72] And the hardly petty bourgeois 1974 nation-wide railway strike was even more brutally repressed by the central government.

It is interesting that not even with the almost absolute state power under the emergency at their command were Mrs Gandhi, the Congress(I) and the patronaged CPI capable of implementing most of their policies.

The Congress(I) had neither the proper and well functioning organisation nor committed members to carry out, or at least supervise the bureaucratic implementation of Mrs Gandhi's ideas. The CPI was almost as weak and much smaller; it did not even try to mobilise popular support and pressure in favour of radical policies as did the PKI in Sukarno's Indonesia. The executive organs of the state, to which Mrs Gandhi turned, were filled with people who were hardly interested in, for example, full implementation of land reforms, or harsh action against corruption, or in favour of higher agricultural wages, even if some success was achieved against tax-evasion and smuggling in urban areas. The co-operatives were weak and ineffectual for the same reasons.

Production, as in Indonesia, was somewhat favoured by fewer strikes and "better discipline". The CPI was careful not to stage any protests or strikes. But no economic expansion took place. And allowing for the effects of initially good rains, agricultural production did not increase either.

On the other hand, the policies that really were efficiently implemented – the repressive slum-clearances, the enforced sterilisations, the harassments of political opponents–had disastrous effects. It was not the assumed agents of "non-capitalism" who tried to uphold and foster democracy but the so called conservative and almost fascist forces plus the rival communists within the CPI-M. In 1977 Mrs Gandhi expected that she and the Congress(I) were strong enough to stand elections, but people by-passed even the traditional Congress vote banks and displaced her as well as the CPI except in Kerala, where the excesses had been rare.

It was not till 1978[73] that the CPI publicly stated that at least its concrete analyses and short term tactics had been wrong.[74] The 1974 popular opposition against Mrs Gandhi was, the CPI said, no longer fascist as a whole. The splitting up of the Congress party had not reflected the assumed division of the bourgeoisie and this plus the emergency had not opened up for national democracy and non-capitalist development. At least, the CPI should have withdrawn its support when the emergency was "abused". But the Achutha

Menon government in Kerala had done well[75] and nothing was wrong with the party programme and the theoretical points of departure–it was wrong only in the implementation.

Contained states

My brief evaluation of the strategies in support of national democratic state-led developments gives no immediate rise to serious disagreements with the standard communist explanation of the problems: Neither of the states nor their leaders, including communist supporters, were capable of initiating a so-called non-capitalist development despite the presence of prescribed conditions. Though capitalists were weaker in Indonesia than in India, the common explanatory factor is that the autonomy and capacity of the state and progressive leaders within it were decisively restricted by disagreeing classes of various kinds. The general, though not necessarily communist, conclusion could well be that it is impossible to introduce socialist-oriented development from above without first altering the structures of power at the base level.[76]

However, we still have to identify and analyse the roots of the forces that restricted the autonomy of the progressive state leaders. The most important argument among Indonesian communists was that the so-called anti-people officers and bureaucrats within the state had no class basis of their own but relied upon landlords, compradors and foreign imperialists, whose interests they defended.

However, so far in the evaluation it remains questionable whether this type of argument was valid or not. It did become the basic assumption of the new alternative PKI strategy and I will wait till it is evaluated in the next chapter.

At this stage, I can only say that my evaluation also suggests that PKI's "anti-people", bureaucrats and officers had quite solid bases of their own within the organs of the state and did not only have to rely upon outside "feudal" and imperialist interests. The tricky question is whether the countervailing forces were based outside the state organs or within them. Or, in other words, if the Indonesian attempts at "non-capitalism" were undermined from outside the state or from inside by its own logic and actors?

In India, the standard communist answer to the roots of forces blocking the attempts at non-capitalism is less clearcut, even if we restrict ourselves to analyses informing applied and important

policies. The main argument is that the split within the Congress party did not reflect any strategic division of the domestic bourgeoisie as a whole but that the Congress(I) represented the most aggressive big capitalists and modern landlords who had to find absolutist–or Prussian or Bonapartist–political solutions to their problems. Others maintained that foreign imperialists and landlords were more decisive.

Again, it is difficult–and unnecessary–to discuss these theses on the basis of what has already been evaluated. I will return to the issues in the next chapter, where especially the first argument–which informed the strategy of the CPI-M–will be scrutinised, and the second brand–put forward by the Maoist groups–touched upon.

The above evaluation of CPI's strategy does, however, indicate that even if Indian politicians and bureaucrats as individuals were much less powerful than their armed Indonesian colleagues, and even if it is thus much more likely that we will find the opposing Indian forces outside rather than inside the state, we still have to answer the question why the emergency was revoked despite the obvious fact that the structural crisis of capitalism–which radical communists identified as the root cause of the emergency–had hardly been solved.[77] This does not indicate that it was only or mainly the still powerful bourgeois-landlord interests that enforced the emergency and undermined attempts at so called non-capitalism in India.

References

56. For Indonesia see ibid., pp. 80-83, 97f. and 112-114.
57. Rubenstein (1977), pp. 603-13.
58. Ghosh (1977), pp. 588-602.
59. See Frankel (1978) for a more extensive review of the events.
60. See Sen Gupta (1979), ch 2 and especially Scharma (1984). Cf. also Resolutions... (1970) and n. 67 below. I also draw on an interview with Menon in which he said that "I now realise that a lot had to do with the tense feelings against the CPM. The CPM wanted to destroy us. We went to the Congress for support".
61. Scharma (1984), especially pp. 164-173.
62. For Indonesia, see Törnquist (1984a), especially pp. 99-102, 145, 117f. and 133.
63. For India, see mainly Frankel (1978), especially chs. 10 and 11.
64. See also Nossiter (1982), ch. 9-11.
65. Quoted from Frankel (1978), p. 545 f.
66. Ibid., p. 547.

67. National emergency . . . (1975), p. 6. Cf. also political resolution . . . (1975) and Reddy, R. (1977).
68. For Indonesia, see Törnquist (1984a), ch. 10, "The new lords of anti-imperialism", pp. 100-104, ch. 11, "Democratic cul-de-sac", pp. 119-121 and ch. 13, "Workers' struggle in the face of obstacles", pp. 146-148.
69. Ibid., p. 155.
70. For India, see, for general overviews, Frankel (1978), chs. 11-13 and Kiviraj (1986), especially regarding the nature of Mrs Gandhi's and the Congress(I)'s power, Djurfeldt (1976), Djurfeldt/Lindberg (1977), for Kerala, Nossiter (1982) See also Malyarov (1983) on the state and for more on the effects Roy (1975) and (1976), Kochanek (1974) and Goyal (1979).
71. On this point I also draw on interviews with Chakravartty, Gupta, Sengupta, Menon, Mishva and Reddy.
72. On the JP movement, see e.g. Shah (1977).
73. For more cautious self-criticisms at an earlier stage, see Resolutions... (1977) after the 1977 election.
74. See Documents... (1978), pp. 53f., 55f., 66, 68f., 70f., 73 and 77f.
75. In my interview with Menon he claimed that if the Kerala CPI-communists had been allowed to take their own decision they had probably not withdrawn their co-operation with Congress(I) as early as the party leaders in New Delhi prescribed. And Balaram, the CPI state secretary, was very irritated when I raised questions about the co-operation with the Congress(I) under Menon and claimed that the local party had still (!) not concluded its discussions on how to evaluate the co-operation.
76. Cf. Frankel (1978), pp. 548-550 and 566.
77. Cf. Kaviraj's (1986) argument, p. 170 n.

3

The Big- and Bureaucrat-Capitalist State Positions

TURNING AWAY FROM THE STATE

Let us return to the early 1960s. Ben Bella, Nkrumah, Nasser and Goulart, to mention a few of the radical nationalists, were still in power. Castro had turned communist and inspired a new militant Latin American generation. Liberation movements emerged in the Portugese colonies. The war in Vietnam was about to foster a new generation of optimistic radicalism. Chinese leaders challenged Moscow's cautious prescriptions. The Sino-Soviet conflict decisively contributed to the wave of renewed radicalism that also reached Indonesia and India. However, the Maoist ideas themselves had, presumably, less importance than the Sino-Soviet conflict which created wider scope for dissident communists to criticise and perhaps even separate from the traditional parties without running the risk of being totally isolated.[78]

The feasibility of "non-capitalist" development was questioned both in India and Indonesia and the need to fight "the real holders of power",–the ruling imperialists and big capitalists and landlords respectively–was stressed. While the PKI as a whole adopted a new offensive line in 1963 without divorcing the state, the opponents in India left the CPI in 1964 to form their own Communist Party of India-Marxist (from which extremists and Maoists separated a few years later) and openly confronted the union state.

Indonesia

Despite numerous successes, the PKI was in a blind alley and its leaders were aware of the need to develop new approaches.[79] How could they unleash the potential strength of the world's third largest communist party and all its mass movements? How could they stage

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militant actions and escape from the domestication and defensiveness behind Sukarno without losing his protection and becoming isolated as a "threat against the nation"? How could they attack the new powerful and even armed politicians and administrators who so skilfully supported and utilised Sukarno's nationalism to confiscate and plunder foreign companies plus repress labour; who fought "comprador rebels" and "neo-colonialism" with emergency powers, "Guided democracy", postponed elections, and took massive aid from state socialist countries–all of which undermined the PKI position.

The PKI could not draw on more support from Moscow. The Soviet leaders were busy marketing "non-capitalist development", according to which progressive governments rather than communists should be sponsored. Peking offered moral support but could not afford massive aid. Moreover, the native Chinese were exposed to popular racism.

Despite this, the PKI leaders came up with a brilliant renewal of their strategy. The communists should not step out of the shelter behind Sukarno to take a more independent stand but should pick up Sukarno's radical ideas in general and his anti-imperialism in particular. They should not start any open struggles with "anti-people" bureaucrats and officers but rather kiss them to death. They should become his–and the nation's–very most loyal supporters by helping him implement his policies. Thereby no one could attack the PKI despite the radicalisation of politics. Communists should even assume outwardly that the officers who exploited Sukarno were loyal, then do everything to disclose that they were not, demonstrate this and isolate them as traitors.

The rationale behind this kiss-of-death-strategy was the argument that the main enemy was imperialism. The "comprador rebels" had been fought. Disloyal, corrupt and anti-communist bureaucrats and army-leaders remained. But civil servants and soldiers, according to the standard marxism applied, have no real powers of their own (besides what can any servant do to his master) but rather execute the interests of others, that is, the classes in control of the economy in general and production in particular. Bureaucrats and officers with no clear cut private class basis of this kind should be comparatively easy to fight politically. However, the theories and analyses that claimed such an independence and lack of class roots in Indonesia–and thus informed strategies in favour of

non-capitalism–had proved wrong, according to the PKI. Bureaucrats and officers had been entrusted with a good deal of power which blocked all progressive developments, and they were definitely not easy to get rid off. However, if they lacked real powers of their own, and the domestic classes were very weak, the former must, in the final analysis, rely on imperialist powers, aim at privatising the state-led economy and should therefore be labelled "bureaucratic capitalists". It follows that to fight imperialism would also mean to fight the main domestic enemies, just as in Vietnam, for example.

Finally, since the PKI took it for granted that imperialists and their allies were underdeveloping countries like Indonesia, everyone who did not benefit from the existing system, "the people", should be interested in supporting this combination of class and national struggles.

Consequently, the PKI did all it could to enhance Sukarno's anti-imperialism, to foster further actions against foreign business, to support measures in favour of self-sufficiency (including a land reform to which I shall return in the next report) and to expose the so-called bureaucratic capitalists, the offensive administrators, officers et al. It tried to show them as traitors who undermined Sukarno's policies, tried to privatise the "guided economy", relied upon imperialists and so on and finally intended to isolate them.

Thereby the PKI confronted not only Moscow's ideas about "non-capitalist development" but also attempts at peaceful co-existence with the United States. International confrontation in general and the third world's struggle against imperialism in particular were favoured. On an ideological level the PKI came close to the contemporary Chinese ideas.

India

Many Indian communists had since long been equally frustrated with the incapacity of the national bourgeoisie as well as ascribed progressive state leaders to foster development. The radicals within the CPI had accepted the compromise to support measures and forces in favour of so-called national bourgeois developments as long as others were confronted. But the left opposition had become more and more convinced, that even if some Congress leaders might be progressive (and a lot of peasants and workers and small capitalists

still supported them), their chances of changing society were nevertheless severely restricted by the powers and interests of the landed and capital monopolists. Therefore, when the moderate communists claimed, that the bourgeoisie as well as the Congress party were about to split into two, and that the Congress(I) should be supported almost unconditionally, further compromises were even more difficult. How could the left opposition support a party and a state, which, according to dissident analysis, had to adjust to the interests of monopolistic capitalists and landlords?[80]

Moreover, the CPI-M argued, the increasingly important role of the state in India had nothing to do with state-led advances towards socialism but was an attempt by one section of the big bourgeoisie and landlords to enforce capitalism from above without radical changes of the "semi-feudal" social structures and without attacks upon monopolies. Existing business houses were favoured. Collaboration with foreign capital was supported. Land reforms had been given up and replaced by green revolutions which was nothing more than US-sponsored state support to the rural rich. Even the restricted forms of bourgeois parliamentary democracy were undermined. The communist-led government in Kerala had been overthrown; the CPI-M was harassed; and soon enough, communist-led government in West Bengal would be as well. There was an obvious risk that the state would become more and more authoritarian. The national bourgeois forces had been incapable of giving the producers more power so that they could develop India. An authoritarian state would now help the monopolists to control and exploit the people.

This, therefore, was not the time to co-operate with an authoritarian bourgeois-landlord state and the party that headed it but rather to build fronts from below based on workers and peasants and threatened sections of the bourgeois classes.

Initially the CPI-M stressed the specific interests of workers and peasants. Later on, however, leaders became aware of the serious divisions within the "bourgeois" forces. Quite a few and increasingly important groups and organisations opposed Mrs Gandhi and her Congress(I). This was, actually, more in line with the predictions of the CPI. But the CPI-M read the situation in a totally different way, saying that some bourgeois groups—despite being also rooted in big capital and landlord interests and being even rhetorically less radical than Mrs Gandhi—opposed her state authoritarianism and thus

favoured, objectively, somewhat more traditional bourgeois ideas of attacking certain monopolies and upholding liberal democracy.[81]

Moreover, from 1967 and onwards, extremists in West Bengal and Maoists in Andhra Pradesh, deserted the CPI-M, arguing, among other things, that there should be no renewed co-operation with bourgeois forces, especially not within parliaments. The basis of state power in India was not as domestic and solid as the CPI-M leaders maintained but was rooted in imperialism and feudalism and carried out by "comprador bureaucrat-capitalists". Hence, these could be overthrown quite easily and there was no need for cautious class collaboration.[82] I will discuss this approach in the forthcoming report on the peasants, to whom the dissidents gave priority. Their stress on the imperialist and thus shaky basis of the state is, however, interesting also in the present framework.

The remaining CPI-M leaders were seriously divided on the issue of to what extent the party should co-operate with the various bourgeois forces that fought Mrs Gandhi. Those who spoke about an increasing bourgeois opposition against state authoritarianism, and argued that the CPI-M also needed parliamentary democracy, and that this was a unique chance to form a broad front to get rid of the Congress(I)'s attempts at "one party dictatorship", became dominant in the mid 1970s. They were prepared to co-operate with almost anyone—until recently even with reactionary communalist parties—against the main enemy led by Mrs Gandhi.[83]

STRUGGLES AGAINST THE BIG- OR BUREAUCRAT-CAPITALIST STATE EVALUATED

Successful planting

The PKI had been domesticated in a blind alley. The CPI-M was out in the cold, fought by the remaining CPI as well as by the Congress(I) and Mrs Gandhi's authoritarian government. However, within a couple of years both parties managed to alter the situation by reviewing their strategies.

The Indonesian communists rallied behind Sukarno and succeeded in enhancing his radical policies to the extent that many observers assigned them the political initiative.[84] If anything were to go wrong, it would hardly be due to a failure of the PKI's efforts to conjure up accentuated anti-imperialism.

Attempts by the US and the International Monetary Fund to collaborate with kindred souls in Indonesia, and in particular to enforce a traditional capitalist stabilisation scheme in May 1963, were blocked by means of a policy of confrontation with the so-called neo-colonial new state of Malaysia. The army leaders lost their state of emergency. Also, they had to favour military manoeuvres against the British in Malaysia and US interests in the region as a whole in order to uphold their positions. More and more foreign companies were nationalised, mainly British and American. Attempts at introducing corporatist labour unions as an alternative to the strong communist-led workers organisations were blocked. Bureaucrats and officers felt threatened by communist campaigns to disclose mismanagement and corruption and to "retool" the organs of the state. Most of the remaining groups and parties in opposition were isolated as enemies of Sukarno's radical policies and their organisations banned. Sukarno himself spoke about "New Emerging Forces", as opposed to "Old Established Forces", based in the third world and led by people like himself, liberation movements and the Chinese but no longer by the Soviet Union. He suggested the formation of an axis between Peking, Pyongyang, Hanoi, Phnom Penh and Jakarta; left the United Nations in 1965 when Malaysia was accepted as a member; declared that Indonesia and China were to start a revolutionary alternative; and told the US to "go to hell with its aid". Sukarno allowed some communists to enter his huge cabinet, and finally, he and the PKI tried to implement the land reform laws which I shall deal with separately in the next report on the peasants.

Substantial parts of actual developments in India also confirmed the CPI-M approach.[85] The party foresaw Mrs Gandhi's increased authoritarianism and that it would not hit hard against monopolists, no matter whether they were based on land or capital. The leaders had underestimated the degree to which broad sections of the non-left opposition were prepared to resist these policies in general and Mrs Gandhi in particular and to uphold liberal democracy. The central government was perhaps more active in repressing the CPI-M and its followers than had been expected. For example, the 1969 West Bengal left front government was undermined, toppled and replaced with harsh state policies against left movements, counter attacks upon militant workers and peasants, and electoral rigging. Also, just as the CPI-M leaders had hinted, even though the

central government fostered and became somewhat more dependent upon foreign support from the West as well as from the USSR, this did not undermine the stability of the regime, as the Maoists had predicted, but rather enhanced Mrs Gandhi's capacity to enforce capitalism from above without altering the socio-economic structures. It is perhaps possible to interpret Rajiv Gandhi's new emphasis on "modernisation" in co-operation with foreign capital in a similar way.

In addition to this confirmation of certain parts of the left communists' analyses, the CPI-M's own strategy proved successful for quite some time, especially in comparison with the CPI's political suicide and the Maoists' failure. It was possible for the marxist-communists to uphold radical and even revolutionary traditions—including Leninist and Stalinist organisational principles—simultaneously with quite successful work inside the parliamentary system, extensive co-operation with some bourgeois forces and consistent struggles in defence of liberal democracy. Mrs Gandhi gave up her state of emergency and lost the 1977 elections. The CPI-M emerged as the largest, best organised, most capable, and internationally most independent of the Indian communist parties.

After the emergency, the future for the marxist-communists seemed bright. Leaders even complained about growing pains.[86] The electoral victories in West Bengal, Tripura, and Kerala were impressive. CPI-M led left front state governments in Calcutta have in fact been in power since 1977. And in the recent elections in Kerala, the marxist-led front, which had been out of the state government for quite some time, bravely decided to resist any kind of agreements with communalist parties and despite this—or rather, not least because of this—won a surprising victory.[87]

Bad harvests

Struggles for non-capitalist development were hopeless, according to the renewed PKI and the CPI-M, because powerful classes circumscribed the autonomy of the state and progressive leaders. But despite quite successful communist planting of alternative strategies to fight their enemies, the latter did not behave as they "should" have and the political harvests were bad in general and disastrous in Indonesia.

Indonesia's economic crisis deepened from 1964 onwards.[88] The colonial economy had long since been run down. Income from exports did not suffice for essential imports. Many companies were unable to utilise their capacity. The nationalised companies were mismanaged. A good deal of the local and regional trade had been paralysed because of the persecution of the Chinese minority. Moreover, substantial foreign loans were drying up because of Sukarno's anti-West foreign policy. Nor was Moscow satisfied with Sukarno and the PKI, and China had no economic facilities to offer. A purely speculative economy gained ground. The government totally lost control over inflation, crops failed and contradictions in the rural areas (to which I shall return in the next report) further aggravated the food shortage.

Of course, wage workers and poor peasants et al., who had to buy rice and other necessities, were the hardest hit. Private business, however, flourished outside and inside the state sector. If anyone was stupid enough to try to profit only from production, things went wrong, but not many seem to have tried.

Nor were the communists able to succeed in exposing and isolating the "bureaucratic capitalists" as pro-imperialist traitors who wanted to privatise the economy by relying on their alleged base in imperialism. The campaign for so-called retooling of the state apparatuses led to the exposure of many individual rotten eggs but not to any structural changes.

The army officers did not need to challenge the ever more accentuated anti-imperialist state ideology expressed by Sukarno. On the contrary, they behaved like the PKI. They tried to interpret the teachings of Sukarno to their own advantage. For example, they continued to take over foreign companies. And it was not the communists alone or in co-operation with Sukarno who created the confrontation with Malaysia—there were many indications that leading officers engineered the conflict. They had good reasons to fear demobilisation, a reduced share of the state budget and general threats to their strong position now that the state of emergency had been revoked. And the army, exactly as the major established parties except the PKI, had no interest in renewing the question of general elections. On the other hand, the military did not want the PKI and Sukarno to benefit from the policy of confrontation. Thus, operations remained decidedly limited.

Moreover, the PKI did not direct a knock-out blow at the

"bureaucratic capitalists" by contributing to the dissolution of the May 1963 programme of liberalisation and stabilisation of the economy. Even independent researchers support the PKI-view, that the US-sponsored regulations were backed by the leading officers and other "bureaucratic capitalists", since they desired to privatise and liberalise the state economy though collaboration with foreign capitalists. According to this version, the programme was stopped simply because of the confrontation with Malaysia. However, not even General Nasution supported this view in a private conversation.[89] The main part of the leading officers did not want to yield to "technocrats" who were totally dependent upon the US, he said.

The programme of stabilisation appears, contrary to what the PKI said, to have been a threat to the army officers and to their "bureaucratic capitalists". If the programme had been put into effect, they would have been hard hit by a heavily-reduced military budget, drastic saving's plans within the rest of the state apparatuses, and attempts to give effective and US-educated technocrats, who were willing to co-operate with foreign capitalists, power within the state-owned companies and the state economic planning. This would not only have threatened certain individual business leaders, officers and others, but also the army's opportunities for building up its own funds with money from state enterprises in order to finance the machinery of violence independently of Sukarno. Rather, it was the technocratic state capitalists who needed the support of Washington—to drive our "incompetent bureaucrats and parasites" from the state economy, to use their own words.

The conclusion is that anti-imperialism was a blunt weapon against the "bureaucratic capitalists" and their chances of making a quick buck. They could not be exposed and isolated as imperialist traitors who wanted to privatise and even less to liberalise the economy, since they themselves needed to act against imperialism, just as they needed to defend their administrative positions of power and not to lose the political initiative.

I will soon come back to what happened during the "new order" regime after 1965, when a similar stabilisation and liberalisation programme really was adapted. At that time, however, the army-led "bureaucratic capitalists" were in firm power. The PKI as well as Sukarno had been eliminated. How did that happen?[90]

A group of junior officers, known as the 30 September

Movement, tried to arrest seven of Indonesia's leading generals, among them Defence Minister Nasution and the Army Chief of Staff, General Yani, on the night of 30 September/1 October 1965.

The movement believed it had proof that the seven generals were planning a coup d'état with the support of the CIA. The movement wanted to forestall the coup and defend Sukarno by arresting the generals and finally bringing them over to him. Moreover, they wanted a national revolutionary council to be established and general elections organised which in turn would lead to a government in which all political trends were to be represented, including the PKI.

However, General Nasution managed to escape. Three of the other generals were killed when they resisted arrest. The other three were executed. Sukarno refused to appoint General Suharto, the deputy of General Yani, as the new Chief of Staff. Suharto then launched a counter-offensive. Sukarno moved to his summer palace in Bogor. The PKI leader Aidit fled by plane to Yogyakarta, Central Java. Soon enough Suharto was in firm control. He tried to unite the armed forces and get rid of the communists by making the PKI solely responsible for the actions of the 30 September Movement.

The communists were taken by surprise and could not offer any substantial resistance. Sukarno did his best to halt the reaction but was finally forced to resign. The massacre and the arrests of communists and others was most macabre in Central and East Java and in Bali. The left movement as a whole was eliminated.

This is not the place to detail the full events nor to tackle the delicate problem as to whether the PKI, the CIA et al. or perhaps even General Suharto was responsible for what happened. My general conclusion from previous studies is the following: The PKI had been forced to give up the militant peasant struggles, to which I shall return in the next study. Also, workers had been domesticated and the party had been unable to undermine the position of the "bureaucratic capitalists" by attacking imperialism. Most of the civil opposition had been forced underground–and had turned to the army or to foreign supporters.

Therefore, when the PKI leaders were faced with threats of coups, which would undermine Sukarno's capacity to protect the left movement as a whole, they could no longer rely upon militant mass struggle. A few of them involved themselves–but not the party–in preventive elite conflicts.

Obviously, General Suharto, the then commander of the strategic reserves, knew about the plans to strike at the other leading generals and made the "progressive lower officers" believe that he was, at least, neutral. In fact he might have been. If they succeeded Suharto would have good chances to be promoted chief of the army; if they failed, he could "save the nation". Suharto was not appointed new chief of the army. The 30 September Movement was about to fail. Suharto took over.

I do not deny that the CIA was deeply involved; it was–and others as well. But I still doubt that Suharto and the CIA masterminded the full events.[91]

Finally, the fact that a few PKI leaders involved themselves in the preventive elite-struggles meant that they bypassed the party and undermined the possibility of huge mass movements and civil resistance.

What happened during the "new older" regime? Has not its support for private business and apparent collaboration with imperialist powers and foreign capital confirmed the basic elements of PKI's analysis? Until recently this was maintained by most concerned scholars.[92]

It is by now quite obvious that when Sukarno and the PKI had been neutralised, the army led "bureaucratic capitalists" had enough power to ensure that policies of stabilisation, some privatisation and even certain liberalisations could be commanded by themselves rather than by left-oriented groups or, next worse, technocrats supported by foreign powers and capitalists.

Moreover, the new regime[93] proved remarkably stable and capable of fostering rapid state commanded capitalist development, even if it has stagnated in recent years. This has, of course, a lot to do with the oil revenues. But first, the "bureaucratic capitalists" were strong and independent enough not to become the victims of foreign powers and transnational corporations. And secondly, pure economic resources are just one of several necessary preconditions for development. The new ruling forces might not have been skilled industrialists but were quite capable of mobilising, offering and putting other factors to use, such as protection against powerful foreign competition, control of labour, and the giving of priority to some and not all businessmen–even though this was not based on rational calculations made by technocrats.

Therefore, there is still no independent capitalist class in

Indonesia. The private capitalists all need state support, or at least protection. So do foreign capitalists no matter how influential and powerful they may be. And foreign donors require authoritative counterparts, even if they would prefer a less protected domestic economy and more rational technocratic planning. Even scholars stressing the predominance of imperialism and Indonesia's dependent position in the world economy agree. The business partners of the officers (at all levels) need support and protection. Even scholars and activists who argue that the so-called *cukongs* and cronies are the real rulers agree. The *pribumi*, "real" Indonesian, private and often Muslim oriented capitalists, need it. Scholars and activists who maintain that the *pribumis* may constitute a progressive national bourgeoisie sometimes even argue that the weak *pribumis* need special state support in order to survive. And no one, of course, disputes the fact that all the new subcontractors are extremely dependent on state contracts, permissions, protection, infrastructural arrangements, availability of necessary inputs, domesticated labourers, etc. All capitalists need this, even the petty traders frequently require state credits, permissions, protection etc.

This, however, does not mean that the state is a unified, rational, ruling actor. Quite on the contrary, actual developments and new scholary research[94] strongly indicate a fragmentation of state powers and complicated patron-client relations, despite President Suharto's indisputable position as a super patron—a rentier general governor rather than a neo-colonial governor general. Various individuals and groups are in control of different organs, sectors and resources. It seems as if it is not mainly the state but patrons within its organs who are powerful and use their control over common property and nation-state authority to become, or to benefit from co-operation with, capitalists.

The CPI-M in India correctly predicted increasing state authoritarianism and acted in defence of parliamentary democracy. But was the characterisation of the nature and causes of authoritarianism equally valid? And did not the party, therefore, hit only at the pianoplayer?

To begin with, the marxist-communists often spoke about "one party dictatorship" in relation to the emergency. However, Mrs Gandhi's centralisation of powers and emergency were preceded by the breakdown of the Congress party and is more fruitfully analysed in terms of continued struggles within the Congress movement as a

whole.[95]

The new Congress(I) had lost a good deal of its old local roots and attempts at revitalising the party failed. Mrs Gandhi had challenged a lot of party bosses in the late 1960s and early 1970s. Many of them had been able to rely not only on the party but also, and perhaps mainly, upon their own bases of power when they acted as patrons with clients, mobilised votes and funds, and got things done; they had been quite capable of questioning and acting relatively independently of the party leadership. Some of them left the party. Others were replaced by less well based and more dependent loyal bosses who had to draw more exclusively upon party and state allocated means for patronage.

Therefore, Mrs Gandhi came to rely more on the executive organs of the state than on her party and institutionalism was frequently abandoned as well. Her administrative and technocratic absolutism turned centralised and personalised. The increasingly unreliable old ways of mobilising votes had to be supplemented by populistic rhetoric, political manipulation and exploitation of communalist tensions plus control and use of modern media. Rajiv Gandhi is apparently following suit although with a less arrogant image.[96]

The CPI-M, however, has been busy fighting the "one party dictatorship".

Secondly, the CPI-M, among others,[97] maintained that Mrs Gandhi and the Congress(I) represented a section of the big bourgeoisie and landlords that had abandoned democracy, because they attempted to enforce a brutal capitalism from above that left most of the petty producers and labourers behind.

However, it was not only the CPI's progressive state-led developments that failed to materialise. There was no trace of West European absolutist anti-feudalism, (as opposed to the East European late feudal absolutism) based on an alliance between queen Gandhi and the big capitalists. Absolutism was there, and so were anti-feudal ideas. But as we know from the former section on the CPI-approach, very little anti-feudalism was implemented.

The German alternative marriage between big capitalists and *junkers* under the auspices of an Indian Bismarck also failed to appear. The introduction of the green revolution in at least some parts of the country could, of course, be analysed as an attempt to foster petty *junkers*. As we know, the business houses were not hard

hit by the Congress(I). But most "*kulaks*" turned against Mrs Gandhi. They formed an important basis of the non-left opposition before as well as after the emergency, even if she constantly tried to win them back.[98] Also, she never dared to withdraw some basic protection of petty producers and labourers. And more and more of the state revenues was used for comparatively unproductive state expenditures. Pranab Bardhan's argument, that state professionals are so decisive that they intervene in a potential "German marriage" between industrialists and farmers and form a complicated, regulatory and consensus oriented *ménage a trois* is well taken.[99]

Moreover, not even a South Asian Bonaparte, emerging out of a stalemate between the bourgeoisie and the proletariat, showed up. India's state authoritarianism was and is far from the classical Bonapartist solution to a crisis of bourgeois political hegemony. It was hardly the proletariat–as once in France–that threatened the bourgeoisie to such an extent that the latter had to abandon democracy and introduce its naked dictatorship. Which is not to say that the big Indian capitalists did not welcome the emergency. But the dominating classes had no serious problems in handling the working masses. Even the Maoists, who had taken to the hills and started armed struggles, were soon neutralised. The nation-wide railway strike in 1974 was quickly repressed. The stalemate was between rival "bourgeois" groupings, among which one tendency defended their local bases of power in a fragmented society while the other tried to subordinate them all to a single authority. This had little to do with Bonapartism, even if we benevolently label the groups bourgeois.[100]

When the emergency was revoked after some two years, a short period of time in comparison with Indonesia, it was, neither because big-bourgeois-landlord capitalism had been successfully enforced from above nor because the internal "bourgeois" struggles for political leadership had been resolved.[101]

There are thus strong indications that India's state authoritarianism was not caused mainly by pure big-capitalist and landlord interests.

But even though the marxist-communists did not hit at the root causes, they got rid of the pianoplayer for some years whereby they contributed to a new lease of life for India's parliamentary democracy and paved the way for left front governments in West Bengal, Kerala and Tripura. Were these obvious successes because

the CPI-M allied itself with, according to its leaders, often equally "bourgeois-landlord" opposition parties? Did these, in any case, represent interests in a slightly more traditional path of capitalist development, which, in turn, required more local freedom for farmers and entrepreneurs et al. and struggles against both centralisation, and political and economic monopolies?

There is no doubt that almost all of the non-left dissident parties were strong enemies of Mrs Gandhi, however, it was Mrs Gandhi herself who opted for the 1977 elections, which she lost and thus had to give up the emergency. It would be wrong to say that she had been forced to stage the elections by a strong opposition. Rather, she presumed that the opposition had been neutralised.[102] Moreover, quite a few of the old Congress bosses had previously been prepared to leave the opposition when the winds changed.[103] The fact that many were against Mrs Gandhi did not necessarily indicate that they had equally solid interests in a more liberal capitalist development.

The Janata Government at centre that replaced Mrs Gandhi in 1977 soon fell apart and was quite incapable of guiding an alternative path of development; it could only give more freedoms and subsidies to those who already had power enough to utilise them. Suddenly several of all the competing interests, loyalties and organisations in India–which had previously been accommodated by and subordinated to the Congress party leaders–permeated the central government. Thus, Mrs Gandhi, Congress(I) and their state authoritarianism, minus the emergency, returned.[104]

Many of the non-left opposition parties were remarkably reactionary and sometimes even communalist. They struggled for elections, for example, but not for the possibility of common people to cast their votes without being dependent upon patrons, communal loyalties, etc. And non-Congress state governments, as for instance in Andhra, did fight for their democratic rights against Delhi, but implemented harsh repression back home. The CPI-M frequently became involved in similar dirty politics and followed the rules of the game. Until recently, communists in Kerala, for example, co-operated with communalist groups like the Muslim League to beat the Congress(I).[105]

The liberal face of the "bourgeois" opposition was mainly restricted to common interests of defending existing private bases of power and ways of reproducing them against state intervention. There were no unified attacks upon private monopolies. The

penetration of state and local governments by private business and landed groups was not altered. On the contrary, and despite criticism against state intervention, the rural rich for instance, demanded more state subsidies and protection. Similarly, the opposition seems to have had no clearer base than the Congress(I) among predominantly production-oriented farmers and capitalists. It was thus incapable of breaking up the normal conglomeration of various ways of making money among individuals and groups–through production, trading, speculation, rents, and so on.[106] Consequently, the "bourgeois" opposition was not able to offer an alternative path of capitalist development that took dynamic producers as a point of departure.

Finally, and worst of all, the CPI-M became increasingly restricted in its perspectives and actions by its political and social alliances. The basic idea was to defend the weaker sections of the population against state-enforced capitalism, and, of course, to unite as many as possible against Mrs Gandhi. In doing this, the communists often had to adjust to others with essentially conservative interests in common though to a lesser degree in West Bengal. There was thus a lack of resources and broad backing for any dynamic alternative particularly since the central Congress(I) governments distributed funds, projects, etc., mainly to friendly states and loyal patrons. Partly because of this, the Left Front governments in West Bengal have had to compromise with their harsh criticism of capitalism in general and imperialism in particular. For example, by inviting transnational corporations to Calcutta.[107] Generally speaking the marxist-communists have, on the one hand, combined electoral and governmental pragmatism to defend the masses against even more brutal capitalism with, on the other, revolutionary rhetorics about the impossibility of doing anything substantial till the basic structures of power have been altered.[108] However, a fresh start might be on its way after the recent elections in Kerala of which more later.

The CPI-M has thus not only been incapable of hitting hard against the basis of state authoritarianism, but incapable also of defending the weaker sections of the masses against its most brutal expressions in a way that a realistic and dynamic alternative path of development could emerge.

On the contrary, it is the Congress(I) that has come back to governmental powers and been able to foster comparatively careful

and successful economic and social developments. Economic growth has been slow but stable in comparison with the NIC-countries in particular.[109] The relative level of mass poverty may not have changed but parliamentary democracy has survived. The level of repression is low not only in comparison with Indonesia. And a skewed income distribution does not retard the further reproduction of capital – if the market is deepened by exports and concessions to some 70 million relatively well-off Indians and the others can be put to work or at least be allowed to survive.[110]

That is not to say that the Indian economy is free from crisis and that further dynamics are not held back. For example, most units of production–not only the petty ones which allow the majority of the population to survive–are still not able to absorb the rapidly growing labour force and to compete outside protected markets. Imports and loans will be difficult to pay for with increased exports. Even industrialists are still eager to diversify into speculation, trading, rents, etc., and rely upon the state when they need fresh capital for long term productive investments. And the state cannot, as Suharto could, rely on oil revenues to pay for the costs of pure maintenance of the state structures, to subsidise farming and other "sick" units, to pay the police and the army and still have money left for fresh investments without taxing the well-off–and not only the poor–so hard that they get upset and important markets dry up.[111]

The communist and "bourgeois" dissident alternatives seem, however, to be more "retarded" than the present path of state regulated capitalist development. And, finally, Rajiv Gandhi's liberalisations of the economy do not necessarily have closer links to big bourgeois-landlord interests than did his mother's state authoritarianism. The private sector is invited to take the lead within industry but the state puts even more emphasis than before on supporting various inputs and infrastructure. The deregulations are not only due to demands from and concessions to the "middle and upper classes". I would emphasise that they (just as Suharto's) are essentially state-led and discretionary. They are not only contradicted by the left but also by those who, on the one hand, get lower taxes and more freedoms, but, on the other hand, run the risk of losing comfortable support and protection.[112]

Possessing and possessed states

To sum up, the strategies in support of national democratic state-led

developments were undermined. The autonomy of the state, and of progressive leaders within it, were decisively restricted by opposed forces. Who were they? How did they do it? What were they based upon?

In the case of Indonesia, the PKI's attempts at undermining the "anti-people" forces by fighting imperialism and privatisation proved counterproductive. So did the struggles for land reforms, to which I shall return latter. It was only when the so called bureaucratic capitalists led by Suharto were in firm control of the state organs, that they commanded discretionary liberalisations and co-operation with domestic as well as foreign capitalists who were in desperate need of state protection.

There was no basis left for broad fronts against blocked development in Indonesia. Suharto's "new order" proved capable of renewing the capitalism which had been held back. And most private capitalists–even the dissidents–became increasingly dependent upon state support.

In India, state authoritarianism had no direct connections with big-bourgeois interests of enforcing or defending capitalism from above, but rather with competing political and administrative factions.

The popular and mainly non-left opposition against Mrs Gandhi's state authoritarianism was on the offensive for some years but no forceful liberal bourgeois alternative appeared. Rather, it was the state based rulers who came back and proved somewhat more capable of regulating the fragmented society and foster slow but stable capitalist development.

Rajiv Gandhi's deregulations are not only state-led and discretionary but partly opposed by, among others, big capitalists who are afraid of losing protection.

It is thus quite obvious that we need to explain the basis of power, stability and developmental capacity of state authoritarianism in Indonesia as well as in India in some other way than by referring to the interests of imperialists or big capitalists and landlords.

PKI's "bureaucratic capitalists" had neither private economic property worth mentioning nor a tight basis among imperialists. But the state possessed a whole range of resources, such as financial resources including oil revenues, various inputs, control of trade, markets, infrastructure, labour and a number of basic business firms, which are necessary to get the economy in general, as well as

individual companies, off the ground. However, the state was no powerful rational actor disposed towards social engineering. Most of the decisive resources were controlled by various officers, bureaucrats et al. It is here that we have to look for the real basis of the Indonesian rulers, their stability and developmental capacity.

Many officers and bureaucrats became increasingly business oriented once they possessed their own bases of power. Their co-operation with private and foreign capital became more intimate. Privately controlled, but not owned, state resources became tied up, or invested, in individual business conglomerates without any massive traditional privatisation.

Shall we look for similar root-causes of Indian state authoritarianism? Obviously it had and has more to do with a centralised and individualised administrative and technocratic absolutism, supplemented with populistic rhetoric and political manipulation, than with either one-party or big-bourgeois-landlord dictatorship of some kind. As in Indonesia, the Indian state also possesses a lot of decisive economic resources which most private businessmen cannot do without. However, there seems to be less personal control over state resources in India than in Indonesia, especially at the central level. An additional constraint is that "business minded" Indian politicians and bureaucrats lack substantial oil resources, do not come from the armed forces, and seldom become visible sleeping partners in individual companies.[113] The Indian basis of state authoritarianism may thus be similar to the Indonesian but it is less powerful and solid.

References

78. Cf. Vanaik (1985), p. 54.
79. For Indonesia, see Törnquist (1984a), ch. 14, "For an offensive strategy", pp. 155-161.
80. For what has been said about India and for the following till fn. 81 see Scharma (1984) and Sen Gupta (1979) for overview, and sources like those collected in Ranadive (1985) and Stand on ideological issues (1969). I have also benefited from interviews with E.M.S., Basavapunnaiah and Surjeet. See also Habib (1975), pp. 168ff.
81. See n. 83 below.
82. See, e.g., Reddy (1978), Roy, A.K. (1975) and Rani (1969) in particular. I also draw on interviews with Banerjee, Bose and Rana.
83. See the self criticisms in Review report... (1978) e.g., pp. 28-32, E.M.S. (1986), pp. 50ff., Sundarayya (1985) and Habib (1979), p. 19f. I have also benefited from a discussion with Patnaik on the CPI-M preference for a more

traditional "liberal" capitalist development, from a discussion with a scholar and now former CPI-M minister, who stressed that "it was all short term tactics. We were weak . . . we needed democracy . . . we needed freedom to organise. Now we are prisoners in this short term tactics", from discussions with E.M.S.: "No, it was no tactics to get a weaker government. A weaker government open up for imperialists" and with Basavapunnaiah (16/3), "Of course our struggles for democracy are defensive. Democracy is absolutely necessary. There are constant attempts at destroying us."

84. For Indonesia, see Törnquist (1984a) ch. 16, "Anti-imperialist struggles against the wrong form of capitalism", pp. 165-169.
85. For a review of CPI-M's successes and optimism at the time see Sen Gupta (1979).
86. See Review report . . . (1978) and especially Resolution on organisation . . . (1979).
87. See, e.g., EPW (1986) and (1987).
88. For Indonesia, see Törnquist (1984a), ch 16, "Anti-imperialist struggles against the wrong form of capitalism", pp. 169-173.
89. See ibid., pp. 171-172. Interview Jakarta 22 October 1980.
90. For the following, see ibid., ch. 18, "Mass struggle bypassed: elite conflicts and massacre", pp. 224-237.
91. Despite the fact that already George Orwell in his "Burmese Days" outlined a, in principle, not unlikely scenario. Cf. Orwell (1983), p. 131f. For new evidence on the CIA, see Dale Scott (1985). (My, originally Swedish, book was published 1982.)
92. See Robison (1978) and (1981). Cf. my critique in Törnquist (1984a), pp. 176-182 and in Törnquist (1984b), pp. 48-57. In his recent book, Robison (1986) has moderated his position. I do not think that there are any serious contradictions between our conclusions anymore besides of the fact that Robison now, in my view, overestimates the progressive logic of capitalism in Indonesia and does not expose its special character as compared to "ideal" capitalism.
93. In addition to n. 84, see Törnquist (1984b), pp. 32-58.
94. Robison (1986) and Jenkins (1984) in particular. (But of course also new research inside Indonesia, e.g. the studies of Arief Budiman). See also the reports by investigating journalists on cronyism in Indonesia, e.g. Jenkins (1986) and Jones/Pura (1986).
95. Cf. The Marxist Review . . . (1977), pp. 317f.
96. For the above on India, see Frankel (1978), pp. 474ff., 481 ff., Roy (1975), p. 46 and passim, Vanaik (1985), pp. 61, 71f. and 76ff., and Kaviraj (1986), pp. 1699-1707.
97. See, e.g., Banaji (1979) and Roy (1975); Roy was the scholar who made the, to my knowledge, best prediction of the emergency.
98. See, e.g., Vanaik (1985), pp. 65 and 70f., Kaviraj (1986), pp. 1705f. and Djurfeldt (1979).
99. Bardhan (1984), pp. 65-71. Cf. also Rudra's (1985a) review of Bardhan's book with a useful summary of central parts of the argument.
100. Cf. Vanaik (1985), pp. 61 and 71, and Kaviraj (1986), although I do not agree with his most general definition of Bonapartism, and Djurfeldt (1976) and Djurfeldt/Lindberg (1977).
101. Cf. Kaviraj's (1986) argument, p. 1705.
102. Ibid., p. 1705.
103. Cf. Frankel (1978), pp. 470f. on the events after the 1971 election.
104. Cf., again Kaviraj (1986), e.g., p. 1706, and Vanaik (1985), plus Djurfeldt (1979), especially, p. 310.

105. Less so in West Bengal, where the CPI-M was strong. Cf. Brass (1973), p. 46 and Ghosh (1981), Franda (1969) and (1973), and for Kerala Nossitier (1982), plus, on the recent development there, EPW (1986) and (1987).
106. Cf. Harriss (1984) most interesting case study, and Bardhan (1984) e.g., pp. 48 f., as well as Chattopadhyay (1969) and (1979), pp. 3 and 6ff.
107. Rudra (1985b) and interviews with especially Deb Kumar Bose, Prabat Patnaik and Satyabrata Sen; plus the official CPI-M argument on the transnationals in West Bengal, Political organisational . . . (1985), pp. 39-41.
108. I will return to this in the report ahead. In this framework I draw mainly on interviews with E.M.S., who would like to see a more concrete short term strategy; Basavapunnaiah (12/3), who claims that the classical ideal path to capitalism is closed because of corrupt petty capitalists but has to be supported anyway for political reasons; Irfan, Habib, "It is not possible to start building socialism within the framework of capitalism. Thus we mainly have to protect the reforms"; Sailen Das Gupta, "We have no good solution now for the unemployed. We can only propagate basic change from top down"; Saroj Mukherjee, "What can we do without money? We need total change..." and Manoranjan Roy, "We cannot take over sick companies without funds and ability to market . . . the best we can do is to expose what the Congress(I) cannot do." Cf. also Vanaik (1986).
109. See Raj (1984), Djurfeldt (1985), pp. 56-58 and Patel (1985). (According to Patel, India's growth of GDP 1950-80 was 3,5% per year while the volume has increased with 2,8 times. In the world as a whole the figures are 4,5% and 3,5 times. In the third world as a whole the figures are 4,5% (or 40% more than India) and 4,2 times.)
110. Cf. Vanaik (1985), p. 58f. who stress the lower rate of labour absorption in factories, mines and plantations, from 3,04% in an earlier phase to 1,91% during 1965-75. Cf. also Bardhan (1984), pp. 20f.
111. See, e.g., Vanaik (1985), pp. 59f., Bardhan (1984) passim, Patnaik (1985), Kurien (1986) and Goyal (1985). Also, I draw on discussions with Goyal and Patnaik.
112. Ali (1985), Paranjape (1985) especially, p. 1517, Goyal (1985), Bhagavan (1987), and, on the character of the liberalisations, discussions with Patnaik, Goyal and Mishva.
113. Desai, A. (1984).

Part III:
Problems of Analysis

Beyond Standard Marxism on State and Class

The evaluations of political marxism in Part II make it possible to identify decisive tendencies in the actual development of the societies, which were difficult to take into consideration by the use of predominant marxism.

In Part III I will take these unforeseen developments as a point of departure. I begin by summarising them in relation to three broad scientific discourses: (a) Interests of class and the transition to capitalism; (b) The role and basis of the state; (c) Preconditions for democracy.

The aim is to discuss if other theories can help us to further develop the analytical tools. Finally I will add my own contributions and conclusions.

The empirical foundation for most of the arguments put forward in this part was laid in Part II when I juxtaposed political theses and strategies with results and actual development and which will only be hinted at here, not repeated.

This design of Part III implies, first, that I will even more than in Part II concentrate only on specific parts of Marxist theory and analysis which are problematic. My own attempts at solving some of the problems are, consequently, restricted to these "narrow" issues. The control over certain important conditions of production and secondary relations of exploitation, for example, have been neglected, and I try to show how we can come to terms with it. But this does not mean that forthcoming Marxist analyses should only concentrate on what have previously been neglected – only that this should be added and included when we try to carry out new and better studies. I try to develop *supplementary* theoretical elements, not comprehensive grand theories.

Secondly, I *purpose* certain ways of developing Marxist theory. I do not maintain that my research in Part II and way of arguing in Part III support the validity and fruitfulness of these propositions. But I do not aim at trying to test the propositions in an empirical framework. That remains to be done. My research indicates, for example, that it is fruitful to try to explain much of the decisive powers of rulers of the state who cannot be directly linked to "civil" classes, by way of analysing their control over strategic formally public conditions of production and appropriation of monopoly rent. But I have not extensively applied these theoretical propositions in an exhaustive deductive analysis of actual development in India and Indonesia. That is another uphill task.

Finally, I do *not* suggest that India and Indonesia do not differ in very many respects; parliamentary democracy vis a vis some kind of very authoritarian rule or a strong private bourgeoisie vis a vis a quite weak private bourgeoisie, for example. However, my results indicate that *the problems* of Marxist analysis are quite similar. I do suggest that the tendencies which predominant Marxist theories could not take into due consideration are of the same *type*. And I do maintain that the new theoretical perspectives and tools which are therefore needed are also basically similar. There are huge differences between capitalists in Sweden and India, for example. But both are capitalists and both can, to begin with, be analysed with the same basic theories about production of surplus value, accumulation of capital etc. The same holds true for the differences between my political rent and finance capitalists, for example, in Indonesia and India.

4

Interests of Class and the Transition to Capitalism

THE PROBLEM

Political marxism in Indonesia and India, was, as we have seen, based on theories and analyses which identified a national faction of the capitalist class and viable ex-tenants among the peasantry as driving social forces in the struggle against imperialist domination and remnants of so-called feudalism for a transition to progressive capitalism.

Many politicians with similar perspectives did fight "feudalism" and imperialism and tried to promote the rise of dynamic capitalism. The colonial economy was undermined. Small and petty producers got a new lease of life. Many domestic traders and producers were protected against foreign competition and benefited from new state resources as well as infrastructural investments. Princes, big landlords and others lost most of their power. The superior tenants (with their own sub-tenants) got a chance to become farmers.

However, not all of the domestic traders and producers in Indonesia received support from the politicians, only those who had the right connections. And many politicians and administrators developed into middle-men who had more to gain from exploiting their positions than from turning to outright business. Moreover, the ex-tenants with potential to go farming were usually just as much based on local administrative political positions as on land, and had thus more to gain from making use of these than from investing in agriculture.

In India the domestic capitalists were much stronger. Despite this, many of them did not feel the need to give priority only to the development of production and trade in order to survive and thereby run the risk of being eliminated. Political and administrative support– protected markets, cheap inputs, infrastructure and labour,

financial assistance, low taxes, favourable price and licence policies, etc.–were often less costly to enforce and made it possible for petty business to survive. The big houses were able to make huge profits more out of the centralisation than concentration of capital. Even though the extenants with potential to go farming were more based on land than in Indonesia, it was easier and cheaper for them to arrange political, administrative and judicial obstruction of further land-reforms, to mobilise subsidies, get low taxes and to accept protection of the poor against drastic proletarianisation than to go in for modernisation of agriculture and rely on free wage labour.

Hence, those who were thought to be interested in developing capitalism in Indonesia as well as in India rarely were, despite favourable preconditions. They found various escape routes via political and administrative protection.

Later, when the state became even more involved in promoting development, many politicians and administrators–who had previously helped private capitalists and ex-tenants to escape the need to concentrate on competition and investments in more efficient production in order to survive–either cooperated with capitalists who were assumed to be interested in neo-colonialism or actually propelled a quite successful growth of capitalism.

ALTERNATIVE APPROACHES

These unexpected outcomes relate mainly to the general discussion about socio-economic preconditions for transition to capitalism in the third world. Are there other theories than those which informed the political marxism applied in Indonesia and India that can help us take the above developments into due consideration and explain them in a more fruitful way? Let me briefly discuss the arguments which, in my view, are most important.[1]

Lumpen states and lumpen capitalists

Anupam Sen has written one of the most provocative and interesting studies in which he puts the blame on the state.[2] Remnants of Asiatic modes of production frustrated the development of capitalism way back in history, thereby providing an opening for colonial penetration. In addition to this, Sen argues, the post-colonial state is so autonomous and preoccupied with enhancing its powers, that it does

not only expand and try to maximise its revenues but also retards the development of progressive reforms as well as the development of progressive classes both of which would pose a threat to its interests. A similar–though comparatively less simplified–historical perspective was applied by Fritjof Tichelman in his comparative study of Indonesia.[3]

Boudhayan Chattopadhyay, among others, is equally interested in the roots of parasitism but, like Paul Baran many years ago, puts the blame on the capitalists.[4] India has only experienced a commercial revolution under imperialist hegemony. Capitalist exploitation based on direct production of surplus value does not dominate but is constantly mixed with extraction of absolute rents and profit-on-alienation (plus international unequal exchange). Only the working peasantry have a firm production commitment, but they become victims of all the others who have a stake in the lumpen type of development. And the political forces, including the communists, have to get petty bourgeois votes. Thus, they are incapable of betting on production and development.

There is much to learn from these approaches, not least the need for a longer and less ethnocentric historical perspective and for highlighting the mixtures of various forms of exploitation. The main problem, as I see it, is that the very same "parasites", the state as well as many of the "lumpen" capitalists, have been active and quite successful in enforcing capitalism both in Indonesia and in India during recent years.

Progressive imperialism and show-case Europe

This, however, hardly implies that it is fruitful to go to the other extreme and to claim that imperialism is actually pioneering capitalist development.[5] Bill Warren was right in arguing that imperialism, including native "lumpen" capitalists, does not necessarily block capitalist development. But when and how does it, and when does it not?

If, according to this view, the age of imperialism has not led to any qualitative difference between centre and periphery, the question of how and when capitalism might develop can, some say, be approached with similar theories as when we address the transition to capitalism in the periphery of Europe.[6]

But even though capitalist development is not impossible, imperialism did and does condition most developments in the third world to such an extent that it would be misleading not to make at least some kind of distinction between the centre, semi-periphery, and periphery and between preconditions for the early development of capitalism during the 17th, 18th, and 19th centuries and the later third world transition in the mid-20th century.[7]

Having said this, there is certainly much to be learnt from the transition-debates in Europe. Even Lenin, who argued so strongly that imperialism held back development in the East, made analytical use of Marx' second path to capitalism and conceded that landlords and merchants, rather than the actual producers, could get capitalism started with the use of the state.[8]

I shall return to the role of the state in the next section. However, once we bring the state in, we must also consider decisive differences between regions and centuries that have more to do with historical specificities of state, politics, and other extra-economic factors in periods of transition than with more or less universal and rather abstract "laws" of already established capitalist systems.

Unfree capitalists

A recent very popular point of departure with the IMF and various development banks[9] is to single out some general prerequisites for dynamic capitalism–competition, free markets, etc.–and to argue that the problem is that a lot of politicians, administrators and others frustrate those necessary preconditions when trying to find shortcuts to progress by making use of state planning, regulation etc. Most sorts of "socialism" have, they say, proved unfruitful. The general solution is, of course, liberalisation, privatisation, and so on.

However, most of the rapid developments that have taken place, with Hong Kong as the main exception, have, no doubt, been state-led. Even most of the ongoing privatisations, both in India and Indonesia, are state-led. Moreover, previous liberalisations in India have not resulted in rapid growth.[10] This is not to say that state interventions never frustrate development. The real problem, however, is two-fold. First, to explain when state guidance is fruitful and when it is not. Secondly, there is a need for more than just freedom for private capitalists to do what they find most profitable. That may very well be to export capital or speculate, for example.

Bad management

The main problem identified by those who recognise the importance of state interventions is, instead, what the state does. That is, the usually arbitrary nature of the state, lack of clear rules and rational and powerful state planning and management. This was, for example, the essence of Gunnar Myrdal's message and it is still elaborated upon by many others, Marxist as well as IMF–and World Bank experts.[11] They stress nepotism, corruption, neo-patrimonialism, etc. Of course these exist. We would not have a development problem if there was a socio-economic structure which enabled the state to function according to rules and which was manned by well disciplined and educated civil servants whose plans were implemented. Thus, a whole lot of things are lacking, but why? And why is it that capitalism has expanded in Indonesia despite the fact that more or less corrupt officers, bureaucrats and their business friends have been much more influential than the rational technocrats? Perhaps the solid state is not even a necessary, not to talk about sufficient, precondition of capitalist development?

Interests of reproduction

Let me return to the transition debates in Europe and partly Latin America–not in search of the previously discussed empirical generalisations but rather principal theoretical and methodological experiences.

Laclau and Brenner, in their critique of A.G. Frank and others,[12] effectively demonstrated that markets were not the decisive precondition for capitalist growth. They existed long before capitalist growth began to gain momentum. Social relations of production were more important. In the same way Brenner showed, with regard to Europe,[13] that there were markets not only in those European countries which first turned to capitalism but also in others. Thus that something else seems to be decisive–the social balance of powers, class struggles.

However, these results do not actually support the problematic political Marxist interpretation under review, about class interests. Capitalists with assumed universal interests seem to be just like markets–always present in the transition to dynamic capitalism but also in other cases. Even Eastern European *junkers* used markets,

while capitalists in India, for example, found ways of escaping the need for expansion by using extra-economic powers. Consequently, what makes a capitalist interested in *developing* capitalism is hardly that he is a capitalist (employing and exploiting labour, producing for the market, making profits, etc.) but rather that he is forced by others–other capitalists, the workers, the state, etc.–to sustain his powers to appropriate surplus in a capitalist way by investing in more efficient production.

In a recent article Brenner has elaborated on this type of interest to reproduce one's position in relation to the means of production and/or the economic product.[14] Such interests are conditioned by the structure and balance of power. And it is only when somebody is forced to change his way of reproducing his position that he may turn progressive and even revolutionary.

If we apply this perspective to my material, it becomes quite understandable that both ex-tenants who had the chance to become farmers and many capitalists often avoided developmental capitalist solutions. They could reproduce their positions without drastically altering any structures or systems. However, many politicians and administrators had to change their modes of reproducing themselves from just plundering the state into mobilising a lot of revenues and appropriating as much as possible for themselves. Some of them had to promote the development of capitalism.

This reproduction-approach is much wider than the common class-concepts which draw on relations within the labour process as such.[15] It is possible, therefore, to take not only traditional economic factors but also the frequent use of extra-economic power over labour and also other prerequisites for trade and production–whether they are privately owned or not–into due consideration and to further conceptualise these phenomena. Also, it should be possible to bring into the analysis those people who reproduce their positions but are not linked to processes of production in any clear cut way such as many state employees and the so-called marginalised.

Finally, there is a need to go beyond Brenner's approach on certain points. The frequent use of extra-economic power implies that we must find better conceptual tools to analyse the way in which the state arranges, manages and effects the framework which enables people to reproduce themselves. It might, for example, be fruitful to draw on some of the ideas and concepts generated within the French

regulation school though not necessarily its empirical generalisations such as those on Fordism.[16] This brings us to the wider and even more important problem of the role of the state which is the topic of the next chapter.

References

1. Hence, I do not profess completeness.
2. Anupani Sen (1982).
3. Tichelman (1980).
4. Chattopadhyay (1969) and Baran (1957).
5. Warren (1980); cf. also, for a fine review-discussion, Werker (1985).
6. E.g. Gunnarsson (1985).
7. See e.g. Arrighi (1986). Compare also Simoniya (1985).
8. Cf., for example, the discussions in Resnick (1973), Ashok Sen (1984) and McFarlane (1985).
9. Cf., for example, Ahluwalia (1985) and Hydén (1983).
10. See, e.g., Bardhan (1984), p. 27f. and 64f., and Frankel (1978), p. 558. Cf. also Goyal (1979) who, among other things, forcefully argues against the thesis that the business houses have to be supported since they are the only ones which can generate growth and can show find results pp. 109-116 and passim.
11. For some radical scholars, who at least partially apply this perspective, see, on the Indian side, Bardhan (1984) and, for Indonesia, Robison, e.g. (1986) and on this issue in (1986a). Budiman (1987) also seem to advance in this direction.
12. Brenner (1977) and Laclau (1971).
13. Brenner (1976).
14. Brenner (1986).
15. Ibid., especially, pp. 48-51.
16. See eg. Lipietz (1982) and (1984) and Ominami (1986).

5

The Role and Basis of the State in the Transition to Capitalism

THE PROBLEM

Generally speaking, conventional Marxist theory propounds two paths to capitalist development.[17] The first is the ideal and traditional road characterised by the liberation of viable actual producers from feudal lords, whereafter some advance and turn into capitalist with a minimum of state support. The second, and shall we say more German, path, emerges when the real producers are not liberated from feudalism and when a threatening capitalism has already developed in some other countries. Thus, capitalism emerges among the already powerful groups, landlords, big trader, etc., who need a lot of support from a quite solid and rational state which acts as a collective capitalist to enforce capitalism upon the not yet liberated masses. The two paths are simplified below:

		ROLE OF THE STATE	
		non interventionism	soild interventionism
MAIN BASIS OF THE STATE	liberated producers	(1) The idealised path from below	
	landlords &traders		(2) The Prussian path from above

There is room for neither the Indonesian nor the Indian state-led developments in this table. These states are interventionist but they do not act in a unified and rational way; they are infact extremely discretionary and even arbitrary. The most common label would be

"neopatrimonial states"; patrimonial but within a formally modern Webrian bureaucratic framework. We are thus far from the collective capitalist or Bismarckian interventionism.[18]

Even worse, as we have seen, the decisive capitalists in Indonesia are neither liberated producers nor old powerful monopolists but mainly a new brand who have emerged from within state organisations and co-operate with private businessmen, domestic as well as foreign.

Comparatively old-fashioned monopolists, and sometimes also liberated producers, are much more important in India. Nevertheless, as we know, they do not shape the state and its important interventions but rather rely on co-operation with politicians and bureaucrats who are not only servants but also possess substantial resources.

It is difficult to take these indications of decisive developments into due consideration and explain them within the standard Marxism that informed the communists in Indonesia and India. We therefore have an additional category and the prospect of a third path of capitalist development.

		ROLE OF THE STATE		
		non interventionism	solid interventionism	discretionary and arbitrary interventionism
MAIN BASIS OF THE STATE	liberated producers	(1) The idealised path from below		
	landlords & traders		(2) The Prussain path from above	
	capitalists emerging from within the states in co-operation with private capitalists			(3) ?

ALTERNATIVE APPROACHES

The unexpected and unexplained third path to capitalist development should, of course, be related to the general discussion on the role and the basis of the state in the transition to capitalism. We

might even find other theories than those which informed the political marxism applied in Indonesia and India which can help us develop better explanations. Let me discuss the arguments I find most important.[19]

Dependent, independent, and weak capitalist states

It should be obvious from my previous analyses that the role and character of the state in the Indonesian and Indian transition to capitalist development are hard to explain within the framework of the dependency theory. The power of the states is not based mainly on foreign capital and compradors. The ruling segments, whoever they may be, usually have quite solid socio-economic and political foundation upon which they can build when they cooperate with foreign capitalists and their agents.

For the same reason it is not fruitful to use the common concepts of bureaucratic capitalists.[20] It is then stressed that the ruling groups draw a lot on support from, and positions within, the state apparatuses. But we are still left with the idea that they rely mainly on imperialists and their private property.

However, neither is it useful to apply notions such as the national bourgeoisie. First, even if we were able to solve the various problems of definition (it is hardly a question about nationality, but is it a "nationalist" political position that matters or to what extent the capitalist is dependent on international markets and capital?) we still have to face a situation where national and international capital and capitalists are more and more interwoven. Second, all the common notions of a bourgeoisie start from private ownership and, based on private power, additional influence upon the organs of the state. But we have seen that many powerful groups in Indonesia and India start also with control over formally public assets.

The dependency paradigm also stresses state in which there is permanent emergency. The state has to be very authoritarian, repressive, etc., in order to reproduce dependent capitalist relations. However, it is quite obvious that the Indonesian as well as the Indian states rarely have to rely on bayonets. Their cultural, social and political roots are old and comparatively stable; there is no urgent crisis of legitimacy.

Neither is it possible to advance by arguing that the state can play an independent role because capitalism and some kind of capitalists are not powerful enough to dominate.[21] Private capitalists are comparatively strong in India. And especially in Indonesia, most of the capitalists have emerged from within the state apparatuses by controlling public assets.

As I see it, there are, to begin with, two very different attempts to solve the problems of taking the enhanced powers of the domestic ruling groups into due consideration and to recognise that capitalism and capitalists often emerge because of the state.

First, it is possible to recall the pre-colonial past in Asiatic states with strong elements of central administration and non-private ownership, etc. This perspective can definitely be helpful when we want to understand the social, cultural and political stability of the states. It also offers an interesting historical background to the contemporary emergence of ruling groups from within the organs of the state. However, the extensive co-operation between state and private capitalists, domestic as well as foreign, and the penetration of state organs by individuals and groups from within as well as from outside is difficult to integrate and to consider.

Second, penetration of the state apparatuses, at least from outside by private capitalists who co-operate with bureaucrats, is stressed by scholars who want to reconsider the role and character of the state under the actual growth of third world capitalism.[23] It is no longer fruitful to start off from the basic contradictions between national and foreign bourgeoisies. Capitalists of all sorts unite in various ventures which then compete for profit—with or without state support. However, due to the penetration of the state by strong private capitalists, the legitimacy of the state organs is undermined. Civil servants and politicians are often unable to uphold bourgeois hegemony, or even to mediate between various competing groups and to domesticate wage labour, without calling for the police or assitance from the army.

This kind of approach, however, is hardly fruitful when we analyse the state in societies such as India and Indonesia. They are not independent Asiatic dragons, but their strength, relative autonomy and stability, as well as the emergence of new ruling capitalists also from within their own organs are conspicuous.

Relative autonomous states

The obvious relative autonomy of the state in Indonesia and India is not due to a separation between economic and political levels based on development of such advanced forms of capitalism (relative production of surplus value) that, in principle, the capitalists are no longer dependent upon constant and extensive extra-economic interventions but can "allow" the state, the politicians and the bureaucrats and others certain freedom.[24] On the contrary, it should be clear from my previous analyses that state interventions in support of capitalist development were and are decisive. Most capitalists depend upon state protection and support.

Monopolisation in both countries has mainly taken the form of centralisation rather than concentration of capital in a process of extensive competition through the development of the forces of production.[25]

In India this started under the auspices of the colonial state and mainly took the form of managing agency systems.[26] Centralisation of capital through managing agencies was also adopted by big Indian business in order to survive imperialist dominance.[27] After independence, state support and protection were further developed. After the abolition of managing agencies, the powerful business families have mainly relied on vertical integration and centralisation of capital.[28]

In Indonesia it is especially interesting to study the emergence of the new business houses particularly from the 1960s onwards. Generally speaking, these have grown out of official or unofficial state protection and support, and sometimes monopoly concessions, to certain business groups with the right connections inside the organs of the state. This centralisation of capital then made possible protected rapid development of productive forces, in at least certain sectors and cases, but it also generated further centralisation of ownership and control leading to the formation of business empires.[29]

If the relative autonomy of the state in societies like India and Indonesia is not due to the development of advanced capitalism it might be fruitful to recall analyses of primitive accumulation of capital and the creation of nation states, etc. In other words the emergence of absolutist states in Europe after the transition from feudalism to capitalism.

The autonomy of the absolutist states from the direct interests of

the dominating classes is often explained by a balance of power between the feudal lords and the rising bourgeoisie. Of course it is not that easy. For example, they often had common interests against independent peasants and other petty producers. The development of a rational-legal bureaucracy is often related to the breakdown of the feudal unity between politics and economy.[30] There are also important differences between West and East Europe. Perry Anderson[31] maintains that the absolutist states coincided with the disappearance of serfdom (but not feudalism in general) and reflected the need for new ways and instruments to uphold feudalism. This, however, actually paved the way for capitalism. In parts of Eastern Europe, where the aristocracy did not face a comparatively strong rising bourgeoisie and had firm roots in the military apparatuses, a sort of state-led and militarised late feudalism developed which later became capitalism from above. In Western Europe, on the other hand, these tendencies were moderated by the urban bourgeoisie and later capitalism developed from below rather than from above.

However, there can be no distinct historical parallels. Indonesia and India do not have a similar inheritance of classical antiquity and feudalism. Their Asiatic form includes among other things, less private ownership, locally autonomous rulers but stronger central powers, and some hundred years of colonial absolutism. Perry Anderson stresses this: "The Absolute monarchies of the early modern period were a strict European phenomenon . . . it was just at this point that Japanese evolution stopped: Far Eastern feudalism never passed over into Absolutism. . . . One basic characteristic . . . divided the Absolute monarchies of Europe from all the myriad other types of despotic, arbitrary or tyrannical rule, incarnated or controlled by a personal sovereign, which prevailed elsewhere in the world. The increase in the political sway of the royal state was accompanied, not by a decrease in the economic security of noble landownership, but by a corresponding increase in the general rights of private property."[32]

Later forms of absolutism were more related to the breakthrough of capitalism and characterised by such a balance of power between the warring classes that the state acquired a degree of independence of both. According to Marx, Bonapartism "was the only form of government possible at a time when the bourgeoisie had already lost, and the working class had not yet acquired, the

faculty of ruling the nation".[33] And, according to Engels, the rule of Bismarck in Germany was characterised by the fact that "capitalists and workers are balanced against each other and equally cheated for the benefit of the impoverished Prussian cabbage *junkers*."[34]

There are interesting parallels, which I will address in the next report between the attempts at developing capitalism within a basically unreformed agrarian structure in Germany and India.[35] But if we concentrate on the state, I fail to identify either *junkers* or Bismarckian state apparatuses in Indonesia and India despite some would-be Bismarckian leaders like Suharto and Mrs. Gandhi and son. Perhaps one can talk about "*kulaks*" as a result of the so-called green revolutions but these are far from the old big *junkers* with huge amounts of labourers. In India they have usually turned against the would-be Bismarcks. Moreover, the legal-rational and technocratic German bureaucracies and state interventions are far from the soft Indonesian and Indian state apparatuses.

Bonapartism is often used as an ideal type of state autonomy fostered by a stalemate between classes in any type of society.[36] However, I fully agree with Poulantzas (and Gramsci when he discussed "caesarism") that such a broad definition is unfruitful.[37] In my view, Bonapartism is basically a historically specific theory about an authoritarian regime which comes about due to a certain degree of state independence from the two basic classes under emerging capitalism, the bourgeoisie and the proletariat. Neither of them is strong enough to uphold its hegemony but each is able to reproduce itself without full use and control over the extra-economic powers. This, of course, implies that the concept is alien to the Indian and Indonesian societies under review where the proletariat is not a decisive threat and the capitalists are in desperate need of state protection. In both countries there were periods of balance between various more-or-less dominating socio-economic factions and political groups which made possible some autonomy of the state and authoritarian regimes. However, having said this we still have to explain under what conditions such factions and groups have emerged, their role and character.

Hamza Alavi attempted at such an explanation in his pioneering article on the post-colonial state.[38] His state was relatively autonomous because of, first, its "overdeveloped" character. Advanced and extensive executive colonial state apparatuses were inherited from colonialism. They reflected, generally speaking, the in-

terests of dominating classes in developed Britain rather than in underdeveloped India. Thus, the post-colonial state was "overdeveloped" in the Indian context and provided politicians and bureaucrats with an impressive apparatus. Second, despite capitalist predominance on a world scale, Alavi strongly emphasised the complex class structure in societies such as India and the fact that no particular class was hegemonic. Thus, the state, the politicians, and bureaucrats had extensive space for manoeuvring within the huge inherited state apparatus.

However, Alavi's way of explaining the role and character of the often authoritarian post-colonial state has more to do with what he does not say than with what he stresses. It follows from my previous analyses that in India and Indonesia the state has space for manoeuvring beyond the interests of dominating classes based on private ownership, and within this it can mediate, regulate and even introduce some policies benefiting the weak. But the state can and does lead and enforce development of capitalism in such a way, and to such an extent, that it has to possess extensive powers of its own. In other words, the importance and powers of the state can only partially be explained by the fact that no classes are able to dictate to the state from outside. The question then is, from where do the politicians and bureaucrats derive their extraordinary powers?

One answer would be that the state actually possesses some power in itself. All powers are not directly rooted in production, as many Marxists would have it. Another approach is to argue that if some groups and persons within the organs of the state are very decisive, they might have some hidden powers rooted in production which we should disclose. These schools of thought are not mutually exclusive and I will now proceed by discussing each of them.

States with powers of their own

To what extent does the state itself matter? Writing about the Bonapartist state, Marx mentioned its "immense bureaucratic and military organisation . . . broadly based state machinery and an army of half a million officials alongside the actual army" and hinted at interests and purposes of their own.[39] Recently Theda Skocpol has returned to the same track suggesting that we should "bring the state back in". She argues that "directly or indirectly, the structures and activities of states profoundly condition . . . class capacities".[40]

Parallel to renewed interest in the importance of administrative and coercive state organisations, Otto Hintze's theses about the state as conditioned not only by domestic socio-economic and political orders but also international competition between various states have been recalled frequently.[41] Further, theorists like Claus Offe have stressed an institutionalised self-interest of the state. In order to survive it has to sustain accumulation.[42] Also, in trying to understand the much neglected importance of the state in the development of both Eastern and Western Europe, Jan Otto Andersson has talked about a logic of the state separate from, but partly similar to, the logic of capital–that is, its need to promote accumulation, to get more revenue and expand.[43]

If one applies similar perspective in order to understand the powerful so-called developmental states in East and Southeast Asia, it is possible to conclude that the important and decisive state interventions do not reflect specific interests of any powerful group but rather their weakness. The state is autonomous. But if it faces domestic and international opposition, pressure and threats of various kinds, the political elite is forced to modernise or die. Such pressures have been present in many East and Southeast Asian countries and hence the emergence of strong and developmental states. In other words, it is not sufficient to argue with Gerschenkron,[44] that the more backward a country is the more decisive will state interventions have to be if the countries are to develop within the framework of a world system with many already established economic powers. It is only when the "right" combination of internal and external pressure upon the state is present that the elite will abandon parasitism and repression to uphold their powers and, instead, work out and implement an effective development strategy.[45]

No doubt, this makes a lot of sense but we must pay attention to the decisive role of the owners and workers despite the fact that the more a company develops, for example, the more important will the executive powers of the experts and managers be. The servants still have a master–as long as the servants do not also constitute the rulers (not necessarily in a socialist framework), which is not argued by the scholars mentioned but which I shall return to shortly. Unfortunately scholars like Skocpol abandon the socio-economic basis of state power with summarising formulations such as "nevertheless, the administrative and coercive organisations are the basis of state

power".[46]

It is also important to note that political elites, which are quite independent of specific class interests, are likely to use the state apparatuses for development purposes only if they have to in order to survive. But pure pressure and political will are hardly enough. Just like a capitalist who has to make further investments in order to survive, the leaders of the state are in desperate need of resources, capital, know-how, raw-materials etc., and effective demand. Moreover, the internal as well as external pressures upon the state may be so complicated and contradictory that it is not possible to implement effective development policies as in the case of India.

Thus, when the state is relatively autonomous, because the class structure (and international structure of power) is very complicated, we should pay extra attention to the complex pressures that condition the possibilities for the state to carry out different policies rather than believing that the so-called political elite can do whatever it wants to just because nobody else is powerful enough to rule over it.

Lastly, and perhaps most important of all, in many of the analyses within the school of thought under review, the state appears as a unified actor, which is far from what my previous analyses indicate. To begin with, we rarely have coherent, rational, legal, and efficient state apparatuses and bureaucrats. Moreover, politicians, administrators, officers and others are far from unified and far from having reasonably permanent interests in common. The organs of the state are penetrated and exploited for various personal and collective interests, both outside and within the state.

Neo-patrimonial states

How, then, can one approach the structures and activities of deeply penetrated, fragmented and soft third world states such as India and Indonesia? In my view, non-Marxist Webrian analyses of third world states as neo-patrimonial are able to identify important features. Organisation and legitimacy are not, as in the ideal modern state, rooted in rational-legal authority with firm distinctions between individuals' private and public roles. Thus, the enormous powers of the state cannot be exercised in an efficient and legitimate way. However, neither are the states patrimonial, where authority is ascribed not to an office holder but to a person who, in contrast to a

charismatic leader, is firmly based in the social and political order. Most third world states are not feudal. They are instead neo-patrimonial, a form of organisation in which patrimonial relationships pervade organs of the state which are formally built upon rational-legal lines.[47] In the same tradition, Gunnar Myrdal, who focused on the inability of the state to implement plans in a Bismarckian universal and efficient way, talked about the soft state. (Which, of course, did not exclude arbitrary non-universal hard repression, for example.)

Neo-patrimonial states are mainly characterised by corruption—office holders illegally use their positions for private ends—and by relationships between superiors and inferiors (popular support and participation) where patrons provide security for clients in return for support. Such clientelism is not based on class organisation and solidarity despite the fact that classes are economically present.

This makes a lot of sense on a descriptive level but the explanations are problematic. First, as usual with ideal types, we run the risk of neglecting different socio-economic and political conditions in various societies. For example, clientelism in the US may have a qualitatively different basis than in Indonesia or India.

Second, the explanations usually hinted at stress revivalism of the pre-colonial past. A formally rational-legal state was created out of the colonial apparatuses in the process of independence. However, the state organs were soon pervaded by pre-colonial traditions, social loyalties, ideologies, etc., which are used by the new political and economic elites. Caste loyalties, for example, are used in order to mobilise votes within the framework of a modern party system. Thus, even if many scholars within this school of thought also point out that foreign governments (including aid agencies) and companies often stimulate the use of "traditional" corruption and clientelism in order to wield influence, get contracts, etc., this leads to ethnocentric and imperialist ideas. There is a need to do away with the very prerequisite for neo-patrimonialism—the pre-colonial hang over. This can be done through fully modernising and civilising by means of the development of capitalism as the Western European rational-legal states were built. And, meanwhile, whenever possible, take-over, or at least bypass, local administration and management "in order to get something done".[48]

Finally, the neo-patrimonial state approach does provide us with a fruitful understanding of what actually goes on within many more-

or-less autonomous state organs in the third world. The state is no unified actor. It is penetrated and abused for private ends and various patrons mobilise popular support from their clients. However, even if we accept that this is made possible by remnants from the past, used by domestic as well as foreign elites, we still need to answer questions about why and how various corrupted patrons are sometimes able to utilise and reproduce these remnants to their own benefit.[49] What are their different bases? Do they draw mainly on support from outside the state or do they rely on control of the executive apparatuses? What is the basis for the corruption they have developed? How do they uphold patron-client relations? Is clientelism really mainly due to traditionally rooted false consciousness about real oppression and exploitation?

Class and factions within the state

Who are the corrupted state leaders and professionals and what is the specific basis of their power? Discussing differences between the colonial and post-colonial state in Indonesia, Ruth McVey has noted that today's top bureaucrats and generals are no longer only servants but also rulers.[50] Karl D. Jackson has fruitfully departed from simple notions about military rule and stressed the importance of the bureaucratic polity.[51] Even though we should neither forget that officers, in or out of uniform, dominate most state apparatuses, nor that they function within a bureaucratic framework and do not only rely on weapons, these approaches lack firm analyses of the economic bases and importance of the state. Other scholars have tried instead to apply the concept of bureaucratic authoritarian regimes, developed mainly within a Latin American context but with some relevance in Indonesia.[52]

The bureaucratic authoritarian state is a product of economic crisis, under which there is a need for foreign assistance and political stability. An alliance emerges between the state, the local big bourgeoisie, and international capital; and dependent capitalist development may take place.[53] Oligarchal corporatism is stressed rather than neo-patrimonial patrons or bureaucratic/military institutions. This is, in my view, the main benefit of the model from the point of view of India and Indonesia,[54] even if I still think that leading patrons within the organisations are decisive. However, as Arief Budiman recently maintained, the main problem with the bureaucratic-

authoritarian school of thought is that in Southeast Asia, and I would add India, the state is much more powerful than in most of the Latin American cases.[55] His quotation from Evans is well taken: "In Brazil and Mexico the state is a critical actor in the triple alliance, but most analysts would agree that the interests of private capital predominate. While East Asian NICs clearly cater to the interests of capital, most analysts of the East Asian triple alliance argue that the state plays a dominant rather a complementary role".[56]

If the state is dominant it might be worthwhile considering "the state as plunder capitalism", which is what Mahmood Mamdani has suggested from his African studies and analyses of Uganda's political economy in particular. "A political position or state connection is a necessary precondition for membership in the African bourgeoisie . . . . A political position . . . is in fact the very foundation of wealth."[57]

This is quite close to my own results on the emergence of the new Indonesian capitalists from within the organs of the state. However, they co-operate extensively with both domestic as well as foreign private capitalists whose importance should not be underestimated. Private capitalists in india are even more decisive despite their dependence upon state protection and support.

Related to this approach is also the idea about a rentier state–in the sense that huge parts of the revenues come from, for example, oil, rather than from taxation.[58] Influential persons within the state may then steal these extra state incomes. No doubt this is important. But we should not mainly concentrate on the sources of state income and/or the plundering of state resources. It is obvious that it is not the origin and original quantity of the resources but rather the monopolisation of them that is basic–and thereby the possibility to profit from trading or investing them to capitalists who appropriate surplus value.

The importance of Dick Robison's (and Harold Crouch's, David Jenkins' and Arief Budiman's . . .) studies of the development of contemporary Indonesian capitalists is to my understanding, precisely that they disclose the ways in which private and state capital are integrated. And the recent study by Kunio of "Ersatz capitalism in South East Asia" is particularly useful for comparative purposes in the area.[59] There are, to my knowledge, few if any comprehensive studies of this type on India.[60]

In my view, however the most urgent problem is perhaps not the

interlinkage between private and state capital but rather if and how we can conceptualise the emergence and growth of capitalists from within the organs of the state. Notions such as corruption, plundering, parasitism, etc., are much too general and do not help us theorise about their involvement in the economy in general, and in the appropriation of surplus in particular, along the same lines as with private capitalists and their exploitation. And there is definitely a need to go beyond old ideas about bureaucrats or generals who also invest their "extra incomes" just like a private capitalist. (Cf. PKI's notion of "bureaucrat capitalists"). This simple form of privatisation is hardly decisive. It is rather still formally state-owned resources which are invested. I will return to this shortly.

In Robison's earlier writings there are hints at analysing officers, bureaucrats and politicians involved in state and private business as a group of parasitic merchants who make profit on alienation by trading everything from rice to licences on oligopolistic markets.[61] However, this kind of trading, among other things, presupposes control and/or regulation of the decisive resources themselves.[62] I, therefore, prefer to start with the concepts of control and rent.

This track, is followed also by Pranab Bardhan, among others, when he addresses the problems of Indian development.[63] Bardhan challenges the neo-liberal argument that there is a desperate need for deregulation and privatisation to liberate the market forces and thereby stimulate growth.[64] In his view, the role of the state, and those who control it, is definitely decisive. Their reproduction and regulations do hamper economic and social progress. But this in turn is conditioned by complicated coalitions and compromises between the main dominant classes.[65] So far Bardhan is in agreement with Alavi and his relatively autonomous state, partly as a result of a kind of stalemate between the main classes.

However, Bardhan goes two decisive steps ahead. First, he pays attention to Skocpol's remarks about the importance of administrative and coercive state organisations and argues that the state is "combining its monopoly of the means for repression with a substantial ownership in the means of production, propelling as well as regulating the economy".[66] Hence, the state is not only a relatively autonomous superstructure above those who privately control the economic base in the civil society but is also "an important part of the economic base itself".[67] Second, Bardhan not only stresses the importance of the state as a whole but also introduces its professionals (civilians as well as military) as a third dominant propertied class besides the industrialists and rich farmers.[68]

The main problem, however, is the way in which he distinguishes this class of state employees. Bardhan starts off from the so-called analytical Marxist argument[69] that not only "physical capital" but also "human capital, in the form of education, skills and technical expertise" can be the basis of class stratification.[70] To this he adds that there is in India "a tradition of an 'independent' civil service, particularly in its upper echelons, with social origins that do not have much of a direct stake in the fortunes of private capital".[71] However, he makes a distinction between the political leadership (or "the state elite") which takes the decisions and the bureaucracy which in the process of implementation is able to generate "rental income from disbursement of permits and favours".[72] Finally, he sums up by arguing that "it seems the old rentier class in Indian society, deriving its income from absentee landlordism, has now been replaced by the new rentier elements in the privileged bureaucracy".[73]

Bardhan's wide and relatively unprecise distinctions are open to criticism. For example, if we identify a class on occupational grounds (being a bureaucrat), or education, or access to strategic executive instruments, or as with John Saul access to surplus appropriated by the state,[74] there will be huge difficulties in deciding which individuals should be or not be part of the class. What interests in common do bureaucrats, for example, have as bureaucrats? And are those interests really decisive? Also, where shall we place those who have high education but are not state employees? Further, does it not happen that the political leaders also demand rents? And what about bureaucrats in the private sector? Moreover, do all bureaucrats demand rent? How do we distinguish between, for example, top level civil servants and others? And what shall we do with all the professionals who also possess shares, real estate, etc.? Finally, the rather low real incomes of most state civil servants are hardly indicative of a dominant exploiting class.[75]

However, some of the problems can be solved if we begin by making a distinction between the pattern of surplus appropriation, that is rents and the preconditions–according to Bardhan they are privileged education, access to public funds and apparatuses, etc.

Ranjit Sau takes a step in this direction by setting aside a comprehensive analysis of the root causes for the rents hinted at by Bardhan in order to make a more precise conceptualisation of the

very form of appropriation.[76] He utilises the Ricardian theory of rent by replacing "land" by "bureaucracy".[77]

Sau comes close to the rather extreme neo-liberal and public-choice oriented ideas that people within public sectors are mainly interested in not only positions and wages and theft, but also in regulating the markets in order to make extra money out of their privileges. They are, thus, according to the theoretical assumptions, parasites who hamper economic progress.[78] "(T)here is a motley crowd of white-collar workers, public bureaucrats, and political brokers who corner a part of the surplus product of the economy by devious means. They are essentially rent-seekers, mainly engaged in what is called directly unproductive profit–seeking activities."[79] As we know, this is hardly in tune with my previous results, according to which at least some of Sau's rentiers may be decisive for the generation of capitalist development. Also, Sau stresses only generation of rents through abuse of complicated regulations (the "licence-quota-raj") and executive processes. He does not consider rents on real resources such as finance, inputs, infrastructure, control of labour, etc., which would not be looked upon as something unnecessary or even unproductive in the context of a private company. And as far as I can see, Sau is only talking about a kind of differential rent–to possess a licence, for example, is like having more fruitful land than your neighbour–but not about monopoly rent on the exclusive control of state assets and administration, to which I shall return shortly.

Sau arrives at naive prescriptions because he concentrates on applying the concept of rent and does not pay much attention to its basis. Having repeated Bardhan's general ideas about causes such as high education, certain occupations, access to executive apparatuses, etc., he suggests, for example, a government-led "clean surgery" of the alliance between some bureaucrats and big capitalists.[80] In my view, this is almost like asking some of the rentiers to commit suicide.

Rent capitalism and the state

My evaluations of problems of political Marxism in Indonesia and India indicated that a state-led transition to capitalism, characterised by discretionary and arbitrary interventionism with a basis among capitalists emerging from within the state and co-operating with private capitalists, was still going on and was difficult to describe and

explain by the standard marxism which informed the communists in both countries. Having related these indications to the general discourse on the role and basis of the state in the transition to capitalism in order to search for more appropriate analytical tools and theories, it is now time to sum up and discuss still unsolved problems.

A more fruitful understanding of the state in countries such as Indonesia and India leads us beyond theories that emphasise mainly imperialism and non-dominant domestic capitalism. The ruling groups have their own bases on which they can rely in their cooperation with foreign capital, the states are quite stable, and capitalism is on the offensive both from within and from outside the states. To analyse the enhanced powers of the state in terms of either a regeneration of pre-colonial independent Asiatic central powers or a more forceful penetration by the stronger private capitalist is no solution. The states are relatively autonomous but the question is why?

The relative autonomy is not due to the emergence of an advanced capitalism that, generally speaking, can do without extra-economic interventions. Rather, it is the other way around. Strong roots in Asiatic specificities make it unfruitful to draw on generalisations from the experience of absolutist European states. The lack of a dominant contradiction between a bourgeoisie and a rising proletariat makes it difficult to use classical studies of Bonapartism as a point of departure.

The relative autonomy is due not only to the lack of strong civil classes but also to an increase in the powers of the states. These state powers are not based mainly on the immense administrative and coercive state apparatuses. Rather, the states have become decisive parts of the economic basis, in addition to being an arena with institutions for the mutual benefit of the dominating civil classes. Also, the states are no unified actors; their organs are penetrated both from within and without by various groups and individuals for their private ends. We have quite substantial knowledge about the background of the groups that penetrate the state from without. We need to know more about the bases of those who arise within the state itself. Only then can we hope to understand their frequent corruption, patron-client relations, and corporatist forms of co-operation with important civil groups. If it is true that the state is "an important part of the economic base itself" it is, essential that we

proceed by adding the materialist foundations.

The recent writings of Manoranjan Mohanty offer an example of one way of conceptualising the material basis.[81] Mohanty starts from the idea of several co-existing modes of production as a framework for analysing the "duality of state process in the complex social formation in India".[82] He says: "This duality is the manifestation of the dynamic contradictions in the Indian social process and the political economy which the leadership of the state seeks to orient towards maintaining its power through a process of capitalist development while sustaining several forms of pre-capitalist relations. The duality also presents opportunities for the challengers to the existing system to struggle for transformation of this order."[83]

Leaving aside my scepticism of the fruitfulness of mode-of-production approach except in analyses of very long term general trends, I still sympathise with Mohanty's attempts at holding on to a holistic perspective and emphasise the complexity of the task. However, I doubt that it is possible to do this and concentrate on finding the principal ways in which the complex structures are held together and reproduced. For example, Mohanty is able to show how pre-capitalist and capitalist forms of exploitation are combined under state leadership (as one plus one), but has little to say about why this happens or what new structures and forms of exploitation emerge in this very process (as one plus one equals three).

In my view we should, therefore, continue by concentrating on the material causes for why the "perverted" state, and the forces within it, are able to integrate, regulate, and reproduce complex relations of power and exploitation. I am looking for one decisive aspect, and do not aim at giving a full explanation of all the complex dimensions. One way of doing this is to conceptualise the roots of the state powers that cannot be linked to "civil" classes in terms of rents.

To begin with, one may talk about rentier states to indicate that, for example in Indonesia, huge parts of the state income originate from rent on oil (plus foreign aid) which makes the state less dependent upon taxing people and on promoting production in order to increase revenues. Also, it may be easier for influential persons within the state apparatuses to get privileged access to or simply despoil these resources rather than generate income based on taxation of the people. No doubt this is important. However, it leaves us with a rather static view. As I have already mentioned, it is hardly the origin of the resources but rather the monopolisation of them

and their administration that is basic—and thereby the possibility to add rents from trading or investing favourable regulations, etc., as well as real assets to the initial resources. Even if state incomes dry up (like oil revenues in contemporary Indonesia), there is still the option for influential persons within the state apparatuses to demand rent from capitalists appropriating surplus value who need "favourable" regulations and/or can give something in return for getting access to the remaining resources. Therefore we will not discuss here rentier state in terms of its sources of income as well as plundering of the state, but turn to legal or illegal appropriation of rents by people with capacity to control public administration and resources.

According to Ranjit Sau, as the reader might remember, it is mainly through manipulation of the very processes of administration inside the organs of the state that it becomes possible to appropriate rents. We are now talking about politicians and civil and military state personnel with control of licences, contracts, quotas, etc.[84]

However, we should not only consider regulation, implementation, etc., but also basic control over necessary preconditions for production, trade and other forms of generating surplus. The difference is similar to the one between ownership of a company and the management of it. What I have in mind is, for example, the control of real resources such as finance, inputs, know-how, transport and infrastructure, access to markets, disciplined and skilled labour, etc.

In an "ideal" capitalist economy, most of these preconditions for generation of surplus are privately owned and available on an open market. Capitalists sell and buy and make profit. The state takes care of what they have in common and mediates. As long as the capitalists survive on the market, their activities are, according to the assumptions of most economic theories, not parasitic. However, in countries like Indonesia and India very many of these preconditions for generation of surplus are at least regulated and often also controlled by the state. Now the "rules of the game" are changed. According to extreme bourgeois economists, most costs for public regulation and control imply parasitic rents—since everything could (and should) have been taken care of by the market.[85] Others suggest that we should talk about corruption and parasitism when politicians and civil and military state personnel do not function as loyal servants (of at least the dominating classes) but discriminate

without any basis in the law and the rules.[86] I would argue that plundering of the state is usually corruption but that appropriation of rents less often illegal and parasitic.

How shall we conceptualise all this? Besides plundering the state through self-aggrandising (e.g., bypassing others in the queue that you administrate) or despoiling of public resources, a reasonable point of departure should be a distinction between monopoly-rent on public administration and monopoly-rent on public assets.

The first case is close to what Sau calls rent on bureaucracy.[87] He discusses mainly the differential rent that those who get access to a licence can make in comparison with others—without improving or adding something to the trade or production. For example, like the farmer who happens to have more fertile land than his neighbour. However, I would rather start from the monopoly on administration. Rent on favourable regulations, etc., can be appropriated by either trading the privileges or "investing" them (or ones capacity to deliver them) in a specific business venture and then getting a share of the profit. In the latter case Sau's differential rent may also turn up on top of the monopoly-rent. The rent may be in cash or in kind. The appropriation may take place directly or indirectly, for example via middlemen and relatives. As we all know there are, to make but two comparisons, perfectly legal ways to avoid taxes or to find acceptable reasons to employ someone close to us even though other applicants may be more qualified. If it is legal or not, or called corruption or not, is not important here. And quite often those need the services are well placed enough to pay rent in the form of higher wage or additional wage-employment.

We can set aside simple occupational criteria such as politicians or bureaucrats. Despite this I would hesitate to distinguish a class. It is a distinct form of surplus appropriation. But the foundations of the monopoly over various parts and levels in state regulation and implementation that makes rents possible are very diverse and hardly promote similar interests and ways of reproducing the monopolistic positions.[88] For example, some would turn to fellow bureaucrats or officers, others to strong civil classes or even foreign business and government agencies for basic support. I would argue that this first type of rentiers, which I will call *regulative rentiers*, are unusually independent servants and/or representatives of various classes and factions which in their turn have obvious and direct relations (in terms of ownership and control) to the means of production.

The second case, on the other hand, has to do with precisely such more thorough control over, broadly speaking, public means of production—assets and services necessary for generation of surplus. For example, once we have paid to be considered for irrigation services and to be favourably treated by those who order the queue, we also have to pay rents, often via middlemen, to the particular politicians and servants who have monopolised control over the water, the dam and the channels. What we face is, thus, an informal type of privatisation of the public sector within the framework of, and this is very important, the legitimacy of the state as a whole. Again, the rents may be appropriated through trade or investment of the assets, in cash or in kind, directly or indirectly, legally (sometimes even in the form of wage) or illegally. Consider, for example, how certain generals in Indonesia manage to control—and legitimate control—various state-owned companies, state apparatuses (and sections within them), monopolising thereby a whole range of necessary preconditions for trade and production like raw materials (not least oil and gas), finance, labour, know-how and so on. Hence, they can demand rent on letting these resources out—just like a landlord who rents out part of his land—or enters into partnership with the actual businessmen.

In this case, distinguishing a new class of rentiers is theoretically unproblematic. We have to consider monopolised control of necessary real assets which happen to be public and not available on an open market, but which could just as well have been privately owned, or which could be bought, by anyone. It is difficult but possible to identify what individuals and groups are in control of what assets, and how they are linked to private businessmen and groups.[89] In the final analysis it is their control of the conditions of production, not their positions as bureaucrats or officers or politicians, that matters.

Further, by studying the interrelationship between these rentiers and private capitalists it is possible to distinguish between at least two segments of the class: those who "only" appropriate rent by trading the "product" to anyone who pays, as a banker, and those who invest the assets or monopolised services in specific companies in return for a share of their profits on trade and/or production, like a finance capitalist. (Other characteristics, such as high concentration of capital, that go with the concept of finance capitalism do *not* necessarily follow suit!) I will label the first as *political rent capitalists*

and the second as *political finance capitalists*.

While it is common that rents on favourable administration may distort regulations, etc., that are essential for the promotion of production (e.g., within the framework of import-substitution policies), monopoly rents on necessary assets are not more parasitic than private rents on, for example, real estate or profits on trade. And we are not talking about plundering the state. Our rentiers, and especially the financers, must see to it that their clients are doing reasonably well so that they can continue to pay and not turn to other patrons. However, all monopolies may hamper economic and social progress.

I will shortly return to the dynamics. But the question why the political rentiers and financers are capitalists should also be touched upon here. Their appropriation of rents is, in principle, possible to adapt to many modes of production. Hans Bobek has developed an extremely wide notion of rent capitalism which he applies to very early periods in history.[90] However, rent-business in itself is not capitalist; the fact that bureaucrats, for example, might invest their despoilt goods or rents like "proper" private capitalists is quite another thing. However, contemporary appropriation of rent in countries like India and Indonesia takes place within the framework of a predominantly capitalist system. Hence, the rentiers and financers are dependent upon the performance of the trading and producing capitalists in order to get the best possible rents. And the traders and producers are often in need of most of the resources that the political rentiers and financers can offer.

Important parts of what I have said so far about the roots of the state powers that cannot be linked to "civil" classes may be summarised in the following table:

	SOURCES	
	Public administration	Public resources
FORM OF APPROPRIATION		
plundering	self-aggrandisers	despoilers
trading	regulative rentiers	political rent capitalists
investing and sharing profits	regulative rentiers	political finance capitalists

I could not refrain from identifying actors within the boxes, but would like to stress what people actually do–since the distinctions do not imply that specific individuals and groups are engaged in one sort of "business" only. A particular bureaucrat or officer or politician (or middleman with access to them) may be partly "clean", partly self-aggrandising, partly despoiling, partly appropriating rents by trading favourable administration, partly engaged in political rent or even finance capitalism. Likewise, concrete political rent capitalists, for example, may also to some extent be regulative rentiers. The rent may be in cash, even in the form of wage, or in kind, legal or illegal. The state as a whole is, of course, not only an organ for the rentiers themselves but also for the civil classes and factions. Finally, the control of the state resources by the rentiers and financers is not only hidden but integrated with official state authority and legitimacy. As I said in the beginning of this discussion: I am concentrating on the material causes for why the perverted state, and the forces within it, are able to integrate, regulate, and reproduce complex relations of power and exploitation. My search is for the one decisive aspect.

However, let me also consider *the role of rents in the frequently discussed patron-client relations*. According to the Webrian approach, clientelism reflects ways in which dominating persons mobilise and institutionalise popular support, and in this process also in other ways use their subordinates in return for patronage. Little has been said about the basis for this, besides references to the historical background. Marxists too have not come up with a powerful alternative; they usually add that patron-client relations mirror false consciousness among clients for which there may be various reasons. Classes based on relations of domination and exploitation in the process of production are present on the economic level but are rarely formed socially and politically. Instead, organisation is blurred by old social, political, cultural, and religious structures and patterns.

I do not want to refute the need to go beyond so-called economistic explanations. But in this case it is actually the material basis as a point of departure that is missing. I would maintain that patron-client relations in societies such as India and Indonesia are not mainly superstructural remnants without firm economic bases, which could thus be undermined by conscientisation of the clients over the "real" conflicts of class. Rather, clientelism in countries such as India and Indonesia–including clientelism as an important ele-

ment of communalism–may often, in the final analysis, be explained as a combination of economic and extra-economic forms of appropriating rents. It is parallel to other forms of exploitation and contradictions of class in the very processes of production and trade.

The rents are not mediated through open markets. Assets and services for which rents are demanded, in particular, are tightly linked to individuals. The "commodity" is personalised. Personal relationships between the stronger and weaker parties are necessary for appropriation of rents. The weaker part has to turn to specific powerful individuals in order to reproduce his position. The stronger part has to turn to specific individuals who need (and can "pay" for) what he can offer in order to uphold his power and to be able to appropriate rent. Both parties are eager to sustain their relations as long as no better patrons or clients appear, or at least till one part can reproduce his position on his own or through other forms of domination and exploitation.

These remarks bring me to *the dynamics of, broadly speaking, political rents*. The historical background in Asiatic forms of absolutist states, followed by the colonial state, weak civil classes, etc., are quite obvious. However, having set aside the discussion about a rentier state in terms of its sources of income (which is of course important for a full discussion about so-called developmental states) and concentrating instead on appropriation of rent based on monopolisation of public administration and resources, I would like to elaborate a bit on the argument that states promote development when facing the "right" combination of domestic and foreign threats.[91] If I link my attempt at identifying the decisive forces within such states with Robert Brenner's thesis that classes turn progressive only if they have to radically change systems and structures in order to reproduce their positions,[92] I arrive at the following argument: In order for states like the Indian and Indonesian to turn "developmental", it is the regulative rentiers, and especially the political rent and finance capitalists with powers of their own, who have to face a combination of threats and possibilities in order to turn progressive though not necessarily revolutionary.

Rent seeking patrons cannot exist without clients within trade and production. But the latter are also in need of the resources that the political rent and finance capitalists command. Hence, it is strategically important to study the balance of power between various patrons and within different patron-client relations. For example, the client may be able to choose a more favourable patron or turn more independent. On the other hand, patrons will have to reproduce their positions by accumulating sources of rent, offer better services and/or rely on more "developed" extra-economic powers (not necessarily in terms of naked force). Consider, for example, the importance of the huge resources that Indonesian patrons got access to through the nationalisation of foreign companies in the late 1950s and early 1960s as well as through oil and gas in the late 1960s and early 1970s, or the decisive effects of the domestication of peasants and labour in the mid 1960s. It is obvious that Indian private business clients have a more independent position than their Indonesian counterparts. On the other hand, the balance of power between the various dominating classes in India is more even than in Indonesia, which, as Bardhan and others have maintained, restricts "efficient" developmentalism.[94]

At the same time, regulating rentiers may be somewhat weakened because political rent and especially finance capitalists have to further develop their clients' trade and production to sustain their own appropriation of rents–something which may require a more efficient and less arbitrary administration. Similar changes are on their way in Indonesia.[95] This is one possible way of interpreting Rajiv Gandhi's privatisations, deregulations and emphasis upon efficiency.

Also, as I have already hinted, political rent capitalists may transform themselves into political finance capitalists by associating themselves more closely with specific private capitalists *and* their ventures. Thus, they are no longer only leasing out their assets and services to anyone who can pay (like a banker) but invest their capital – the assets and services–in certain companies (like a private finance capitalist) and then share the profits. On the central level this is more important in Indonesia than in India. The links between private client capitalists and their companies on the one hand, and political rent and finance capitalist generals on the other hand, are getting stronger and stronger in Indonesia.[96]

If powerful rentiers fail to change, they may be faced with revolutionary threats from, for example, frustrated private client capitalists. This is one way of interpreting the fall of Marcos in the Philippines.

Finally, there is no need to exclude that clients who are weaker than private capitalists can also find ways and opportunities to become more independent and to overrule their patrons. But unfor-

tunately, I cannot give any example. Most radical organisations do not give priority to struggles against the appropriation of and exploitation through rents. And when the issue is at stake, at least indirectly–like recently in the farmers' agitation in India–the weaker groups and radical movements seem to hang on to private capitalists' or rich farmers' interests. However, I will continue to exclude peasants and the rural scene from this book and return to it in the next report from the project.

The problem that we started the discussion with in this chapter was that the state-led transition to capitalism in India and Indonesia does not fit into the common first and second path to capitalism. Rather it is characterised by discretionary and arbitrary interventionism which has its basis among capitalists emerging from within the state *and* the private capitalists with whom they cooperate. Having conceptualised the roots of state powers that cannot be linked to "civil" classes in terms of rents, we can now reformulate the table at the beginning of the chapter.

The unexpected and unexplained third path to capitalist development is characterised by what I would call semi-privatised state interventionism (interventionism but not solid as a collective capitalist), mainly governed by regulative rentiers, and based on political rent and finance capitalists who co-operate with private capitalists. This third path to capitalism may, therefore, be called rent capitalist.

ROLE OF THE STATE

MAIN BASIS OF THE STATE	non intervention	solid intervention	semi-privatised interventionism
liberated producers	(1) The idealised path from below		
landlords and traders		(2) The Prussian path from above	
political rent and finance capitalists in co-operation with private capitalists		<<<<<<<?	(3) The rent capitalist path; partly from within the state

But what about the other boxes? One can fill most of them with at least fragments of the transition of capitalism in various countries and regions. One case is of particular interest. As I have already shown, there are indications that at least Indonesia is heading slowly in the direction of more solid interventionism with more disciplined regulative rentiers. More efficient and less arbitrary administration seems to be needed in order for political rent and finance capitalists to promote their clients' production and trade–and thus their own appropriation of rents. There are, perhaps, some similarities with the development of South Korea.

Finally, please observe that I have "only" addressed some decisive factors in the transition to capitalism and particularly the problem of how to explain, within the framework of historical materialism, the obviously decisive powers of those rulers of the state who cannot be directly linked to "civil" classes. Thus, I'm not presumptuous enough to talk about the mode of production or "at least" about the complete structure or system of contemporary capitalism and state. Nor therefore about the form of regime, ideology, development strategies and many other things of importance. That requires a much wider conceptualisation and complete analysis which still remains to be done. But the problem was that when such attempts were made with the standard approaches (and applied politically) by marxists in Indonesia and India, they could not take into consideration, among other things, the transition to capitalism and the roots of powers that I have now tried to make sense of.

References

17. See, for example, scholarly Indian discussions on these paths like Ashok Sen's (1984). Chattopadhyaya's (1969) and Kaviraj's (1984).
18. This is not, however, to say that I subscribe to notions such as patrimonial, neo-patrimonial or soft state. I will return to these and similar notions shortly.
19. Again, I do not profess completeness.
20. This has also been the case in the African debates. Cf., for example, the classical article by Shivji (1970).
21. Cf. the theories about non-capitalist development in societies where capitalism does not dominate. In addition to this, Simoniya (1985) has made an attempt at further developing similar arguments within the framework of the rapidly growing capitalism in "the Orient": Rapid growth is possible because the initial phases of capitalist development are bypassed under state guidance. Thus, capitalism now starts off in its "dying phase". The only alternative is socialist-oriented state leadership.
22. See n. 2.

23. See, for example, Beckman (1982b).
24. Cf. Poulantzas (1970), pp. 287-291.
25. For India, see, e.g., Chandra, N.K. (1979), Sau (1981) especially p. 36, Roy (1976) ch 12 and Bagchi (1975). For Indonesia, see especially Robison (1986).
26. See, for example, Martinussen's historical analyses (1980), Levkovsky (1972) and Malyarov (1983).
27. Malyarov (1983), p. 11.
28. See n. 25 plus Goyal (1979) and Hazari (1967).
29. See especially Robison (1978) and (1986), Crouch (1975), Jenkins (1984) and Budiman (1987). (Robison (1978) and Crouch (1975) summarise their dissertations.)
30. I draw on Poulantzas' discussion on various arguments about autonomy (1970), pp. 176-181.
31. Anderson (1975).
32. Ibid., p. 428f.
33. Marx, The Civil War in France, ch 3. Quoted from Bottomore (1985), p. 465.
34. Engels, Origin of the Family, ch 9. Quoted from ibid., p. 465.
35. Patnaik, U. (1986) especially p. 786.
36. See, for example, Kaviraj (1984) and (1986). Simoniya (1985) talks about "neo-bonapartism", p. 103f.
37. Poulantzas (1970), pp. 291-295.
38. Alavi (1972).
39. Marx, 18th Brumaire. Quoted from Bottomore (1985), p. 466.
40. Skocpol (1985), p. 25 in Evans et al. (1985).
41. Hintze (1975) in Gilbert (1975).
42. Offe and Ronge (1975).
43. Andersson (1981).
44. See Gunnarsson (1985) including his references to Gerschenkron.
45. Gunnarsson (1987).
46. Skocpol (1979), p. 29. For a fine and cautious critical discussion of this, and an idea about partnership between state and class, see Miliband (1983).
47. For a general presentation and references to more specific studies, see Clapham (1985). For a recent attempt at further developing these ideas in the Indian context, see Blomkvist (1988).
48. This, however, is not to say that all scholars who apply a neo-patrimonial perspective would argue in such a way, but rather that their theses, for example Göran Hydén's (1983), can be used for similar arguments. Cf. also Mohanty's (1987a) convincing arguments on established explanations of communalism.
49. Some scholars who seem to subscribe to the concept of neo-patrimonialism do, however, try to look for the bases — though not because of but rather despite the theoretical framework. Cf. Crouch (1979).
50. McVey (1982), p. 88. Cf. also Anderson (1983).
51. Jackson (1978).
52. Cf. King's (1982) arguments.
53. O'Donnell (1978) and Evans (1979), for example.
54. Cf. the arguments put forward by King (1982) and the analyses by Martinussen (1980) and Kochanek (1974) on business corporations.
55. Budiman (1987), p. 535.
56. Ibid.
57. Mamdani (1986).
58. Cf. Tantor (1988) and of course the general discussion about the state in oil producing countries as well as countries which are extremely dependent upon foreign aid. (cf. Ominami (1986)).

59. See n. 29 and Kunio (1988).
60. Cf. the arguments and review of various studies in Kamal (1987).
61. Cf. Robison (1978) and Harriss, B. (1984).
62. Cf. n. 92 in part 2.
63. Bardhan (1984).
64. Cf. the review article by Weiner (1986) on Bardhan's book versus the neo-liberal argument hinted at by Isher Judge Ahluwalia.
65. Bardhan (1984) chs. 7 and 8.
66. Ibid., p. 36.
67. Ibid., p. 35.
68. Ibid., ch 6.
69. Cf. Roemer (1986).
70. Bardhan (1984), p. 51.
71. Ibid., p. 52.
72. Ibid., p. 51.
73. Ibid., p. 52.
74. Saul (1979).
75. A collection of arguments put forward during the XII Indian Social Science Congress, Mysore July 14-17, 1987 in a discussion on a drafted version of this manuscript. Cf Kamal (1987). The argument on wages is also developed, though in another debate, by Joshi and Little (1987), p. 372.
76. Sau (1986).
77. Ibid., p. 1070.
78. Cf., for example, Bhagwati and Srinivasan (1980) and (1982), and Bhagwati (1982) among those scholars to whom Sau refers. Cf. also, e.g., North (1986) in Elster (1986).
79. Sau (1986), p. 1070.
80. Ibid., p. 1071f.
81. Mohanty (1987b).
82. Ibid., p. 3f.
83. Ibid., p. 4.
84. Cf. Deva (1986), p M 152 for an example of a more complete list.
85. Cf. n. 78.
86. Cf. the Webrian approach presented by Clapham (1984) and to a large extent applied in, for example, Blomkvist (1988).
87. Sau (1986), p. 1070.
88. Thus, for these and other reasons I would not subscribe to property rights and public choice arguments.
89. Cf., for example, the fine research done by Robison and Jenkins.
90. Bobek (1962). Cf. also the way in which Fegan (1981) applies Bobek's notion to the Philippines.
91. Cf. the text above related to n. 45.
92. Cf. the text above related to n. 14.
94. Bardhan (1984), chs 7 and 8.
95. See, for an early example, the reports on Indonesia in FEER, September 10, 1987.
96. Cf. my previous analysis in Törnquist (1984b), pp. 44-58, and Robison (1986).

6

Preconditions for Democracy under the Transition to Capitalism

THE PROBLEM

As we know, the PKI and the CPI actually contributed to the crisis of people's rule in Indonesia and India.[97] When the CPI-M tried to fight state authoritarianism, it did not strike at its very basis. The party was unable to go beyond restoring previous forms of democracy but was caught by them and by those who utilised them. The recent attempts at a fresh start in Kerala will be touched upon later on in this chapter.

It is common wisdom to talk about "bourgeois democracy" in India and till the later 1960s in Indonesia. The well known general assumption is that there should be room for relatively autonomous politics, as well as democratic ways of ruling at least common property, as long as the real holders of power are capitalists. This is because it is assumed that capitalists are able to reproduce their private property and appropriation of surplus on their own by use of the market and their control of production. In other words, if private property is excluded from what people have in common,[98] and thus from what should be democratically ruled, capitalists who do not need full control of common properties in order to reproduce themselves can survive democracy – and sometimes even fight for certain forms of democracy in order to get rid of, for example, leaders who monopolise politics and hamper free private business.

The problem is that there do not seem to be any clear-cut correlations between the existence of strong and weak capitalists and more or less democracy.

During the period of parliamentary democracy in Indonesia, the capitalists were weak in all respects and very dependent upon political patronage. Thereafter, when private as well as political rent capitalists grew stronger, they abandoned even quite limited forms of

people's rule and enforced a corporatist, consensus-oriented, and authoritarian rent interventionist state. Most of them enhanced their powers by monopolising common state resources. The support given to private capitalists by political rent capitalists made it possible for both groups to expand. Also, the new rulers could thus use the state to domesticate those people whom they had previously been much more dependent upon. Hence, they had–and still have–no reason to open up even for bourgeois political democracy (i.e., democratic forms of governing what people have in common minus what is privately owned), as long as their main basis of power is located within the organs of the state and common property. Moreover, neither did privileged private capitalist clients, nor do they, have any immediate interests of that kind no matter how much they complain. They are in desperate need of sustained state support and protection.

In India, on the other hand, the main question is rather why and how parliamentary democracy has survived. As in Indonesia, democracy emerged despite the fact that private capitalists could not do without extensive political support. But were not the Indian capitalists, generally speaking, much stronger than the private Indonesian ones? Yes. But when they grew even stronger, authoritarianism turned into emergency. Was this perhaps because the further expansion of the big bourgeoisie reflected a second path to capitalism "*von oben*"? In the former section I have disputed this. Indian capitalists, not least the big ones, did need state support. But it is quite clear that they could keep on expanding without either emergency or decisive structural changes.

From another point of view, might India's parliamentary democracy instead be due to a strong genuine bourgeois opposition? However, as we have also seen, it was hardly the "bourgeois" opposition that pressed Mrs. Gandhi to stage free elections in 1977, even though it won and restored a lot of the previous forms of democracy. The common interest in democracy within the opposition obviously had more to do with its fear of central state powers, its preference for democracy as a means to regulate conflicts between various free, individual and propertied citizens, and its capacity to mobilise votes from clients than with an ability to reproduce positions and appropriation of surplus without the use of extra-economic means.

There is, of course, no reason to deny that the existence of stronger and more independent private capitalists in India than in

Indonesia is a fundamental precondition for some sort of political democracy. However, the survival of parliamentary democracy in India seems to have less to do with the ability of the private capitalists to reproduce their business without extra-economic means, than with their interest in regulating conflicts and their dependency upon others' capacity to mobilise votes and acceptance. Particularly upon politicians and many civil servants who can uphold and strengthen their own positions within the framework of relatively free elections, etc. Also, quite a few Indian politicians and public servants tried in vain to rely exclusively in comparison with Indonesia upon their far less absolute regulative and real powers within the state organs during the emergency but had to return to vote-catching, mediation, regulation and "petty" rent capitalism.

ALTERNATIVE APPROACHES

Obviously, these patterns of development cannot be fruitfully conceptualised by merely assuming a positive correlation between the development of capitalism and bourgeois political democracy. Let me therefore, in search for other theories, relate the actual traits and problems of democracy to the general discussion on preconditions for peoples' rule under the transition to capitalism in the third world. I will again discuss arguments which in my view are most important.[99]

At the conceptual level

What are the problems of democracy we are dealing with? To begin with let us assume that democracy has to do with equal rule (one man one vote, for example) of what people hold in common. Then, separate form (procedure) from content. The form of rule–for instance, how decisions are made–should be distinguished from what is decided. Also, what is formal and what is real should be held apart. Rules and policies may or may not be obeyed and implemented.[100]

At this stage, it should be obvious that the problems of democracy under review have to do with reality and not with formalities; with the form of rule rather than with its content. However, even if I am not focusing on the content in terms of output and outcome of more or less democratic rule, it is extremely important to

study its extension which, as far as I can see, is not fruitfully covered by the concepts of form vs. content, and formality vs. reality. About what can equal, real decisions be made? To ask whether people with equal rights are able to rule trade and production that they hold in common, or if such spheres are "protected" by private ownership, is not the same as to examine if the policy is to produce and trade trains instead or cars, and the effects of this.

Moreover, I emphasise preconditions for democratic rule. True, mainstream political scientists also add preconditions, formal as well as real, for democratic rule.[101] However, they usually concentrate on directly related necessary prerequisites such as formal and real freedom of speech; governance according to democratically decided rules; or a serious of factors, such as literary, and standard of living. These preconditions indicate actual capacity to make use of formal equal rights. But the more basic causes are neglected; i.e. the systems and structures of which the immediate preconditions are only fragments. These causes are emphasised by the Marxist theories and analyses currently under review. Thus, the frequent mapping of preconditions, and attempts to correlate indicators of to what extent the formal prerequisites may be utilised with the presence of more or less democratic rule[102] are rarely fruitful if we want to further develop theories about why and how they appear in the first place, and how more basic structure and systems affect, and are affected by, the form of rule.

Within the framework of political economy in general and marxism in particular, questions about basic causes of, first, formal prerequisites (such as freedom of speech); second, the extent to which these are real plus various capacities among people to use them; and, third, the extent of democratic rule, are usually answered through studies of socio-economic relations of power. The general thesis is that the more power is equally distributed (people's power), the better are the chances for equal rule of what people have in common (people's rule).

This is nor disputed; a certain degree of equal distribution of power is a necessary prerequisite for equal forms of rule. People need a certain degree of autonomy. However, not even full people's power would be a sufficient condition for people's rule.

Consider, for example, a case where all citizens control their means of production. As soon as they have something in common, that is as soon as they start to dispute, co-operate, and exchange

what they produce, more or less formalised ways of governing their collective relations will develop. The relations of power condition forms of government; but laws and rules, customs and markets, etc., will also affect the structure of power.

For instance even if all people have equal power to decide about the laws and can afford the best lawyers, and even if the law covers all essential relations, there is also a need for universally applied rules, equal treatment, etc., so that arbitrariness will not undermine our ideal people's power. The historical importance of struggles for states governed by law is well known.

Or even if all people have equal power and right to influence common organs and to decide about their field of activities, it is also necessary that applied rules for government and administration, and public supervision of representatives and servants, etc., be equally conducted so that they do not govern on their own and in favour of only some of the citizens. Hence, the decisive importance of political democracy.

Or even if citizens control their means of production, exchange and co-ordination, etc., are unavoidable and have to be equally ruled if the structure of power is not to be altered. The historical importance of demands for economic democracy is self-evident. It should not be confused with social equity in the sense that everybody should have the right to a "fair" share of what is produced.[103]

Finally, I would also like to mention the problems of people's rule which follows from intensive struggles for democracy carried out in undemocratic forms.

Consequently, not only relations of power but also the forms of rule and their direct preconditions are decisive. This has often been neglected by much of the standard marxism that informed communists in India and Indonesia. But having said this, the crucial question remains: How are relations of power and forms of rule related?

It is of course important to know if leaders, parties and movements that represent different, more or less powerful groups, declare themselves to be democratic and appear to be serious about it.[104] However, ideals and political will apart, what people are forced to do under specific circumstances in order to protect and promote material interests may be something else.

On the one hand, is the transition from comparatively democratic struggles for liberation, in Guinea-Bissau and Mozambique for example and the development of less democratic forms of rule after independence. Generally speaking, the liberation movements had to work quite democratically in order to get broad popular support. Once in power, however, and facing extreme difficulties of all kinds, the leaders and parties had the option to draw on their new powers within the organs of the state, foreign aid, etc. High democratic ideals and goals are still there, but they are not sufficient.[105]

On the other hand, the communists in Kerala have recently been almost forced to give priority to democratising the regional and local organs of the state. They had to do this to be able to use them to promote economic and social development and create new jobs. Thus, they had to abandon old tactical alliances with communal parties as well as the previous thrust on workers' and peasants' struggles for higher wages and land, etc. This strategy was no longer fruitful, did not hit at economic recession and speculation, and did not help the many un-and-underemployed. I will return to take a closer look at this later on but it is quite obvious, that in this case material interests promoted and even enforced ideas about democratisation.[106] It is interesting to note that in India political liberties seem to be highly valued even by those who are hardly able to reproduce a minimum standard of living. Amartya Sen, reflecting on how Indian voters turned down Mrs Gandhi after the emergency in 1977, concludes: "It is indeed remarkable that a community of voters who are ready to tolerate so much economic inequity and are so difficult to mobilise against elitist policies could be so quick to move in its rejection of tyranny".[107]

Hence, it should not be impossible to combine the traditional Marxist focus on basic structural preconditions for democratic rule with taking the forms of rule and their immediate preconditions into account more adequately. Let me proceed in that direction.

Democracy as a product of revolutionary changes

In his pioneering work, *Social Origins of Dictatorship and Democracy*,[108] Barrington Moore departed from previous predominant ideas about slow, gradual and peaceful changes as preconditions for stable democracies[109] by showing that the roots of democracy were to be found in revolutionary "anti-feudal" processes.[110] He suggested that the different types of transition from more or less feudal societies conditioned the forms of political rule

which resulted. Marxist approaches with rather rigid theses about only one type of capitalist development leading to bourgeois political democracy can thus be fruitfully developed with the help of Moore's results.

However, Moore's perspective is not of much use in giving more emphasis to the importance of the forms of rule as such and their immediate preconditions; nor in relating the forms of rule to such basic causes as those stressed by Moore himself.

Despite his long historical perspective, and attempts to show that feudalism was not the same all over the world, Moore discussed the roots of bourgeois democracy only. One could argue that this is quite natural since no other type of democracy occurred in the countries that he examined–and he did make some reservations about India. Having said this, we should also stress the fact that democracy (in the sense that people equally rule what they hold in common) cannot be positively correlated only to specific forms of capitalist development but must be seen also within the framework of very different modes of production.[111] Thus, it is not fruitful to generalise from Moore, that democratic rule is most likely to occur under certain types of transition to capitalism. There are many other possibilities, including the forms of democracy that emerged during radical liberation struggles and the present form of rule in India, which cannot simply be labelled bourgeois. And there is no reason, for example, for progressive Indonesians to sit back and wait for "real bourgeois development" of democracy just because that was the only positive outcome in Moore's study. Also, due to the fact that Moore focuses upon the early transition from more or less feudal societies, he rarely stresses the importance of the labour movement in the further development of people's rule, to which I shall return in a short while.[112]

A democratic "national bourgeoisie"

In his impressive and voluminous study of the state in India and Pakistan, John Martinussen makes an attempt to further develop the marxist theses about democratic interest of a so-called national bourgeoisie, as well as Moore's positive correlations between certain types of revolutionary transition to capitalism and emergence of democratic rule.[113] Martinussen concludes, that the main reason why India but not Pakistan developed parliamentary democracy is not

only that a "national bourgeoisie" was and is stronger in India than in Pakistan, but also that the Indian bourgeoisie was politically strong enough to influence state policies primarily through the representative organs in addition to the executive ones.[114]

However, as I have stressed elsewhere, the second independent variable (whether the class promotes its interests through the representative or the executive organs of the state) is closely linked with the dependent variable. "To use a parallel: the correlation between the fact that one party is better than the others in attracting sympathisers and the fact that this party later on wins the election may be impressive, but how much do we actually explain?"[115]

Moreover, as I pointed out in the introduction to this chapter, a weak "national bourgeoisie" in Indonesia promoted its interests particularly through the representative organs of the state in the early 1950s. But when capitalism grew stronger, most of the economically as well as politically strong capitalists had no interest whatsoever in upholding parliamentary democracy. I would argue that this was because they did not constitute a traditional private "national bourgeoisie". They were emerging political rent and finance capitalists (with private capitalists as clients) and based their strength mainly on the monopolisation of state resources–monopolies which could be threatened by quite limited forms of political democracy.

Hence, we cannot generalise and theorise about the relations between one type of capitalist development only (in this case, according to Martinussen, led by a "national bourgeoisie") and possibilities for democratic rule. Obviously there are other paths, followed by other types of capitalists. Moore indicated this in principle but his stress was on different types of revolutionary transition from more or less feudal societies, resulting in different forms of rule.

Also, Martinussen's analysis of the preconditions for limited forms of democratic rule in India could be disputed. The survival of parliamentary democracy has not only to do with the partial ability of the private capitalists to reproduce their position without extra-economic means but also with their need to regulate conflicts and their dependency upon the capacity of political elites to mobilise votes and acceptance. The political elite have strong interest of *their own* in upholding certain forms of democracy. Martinussen is wrong in characterising and explaining India's democracy as strictly bourgeois, as conditioned by the strength of a "national bourgeoisie".

Finally, Martinussen's analysis of to what extent more or less anti-feudal changes condition the emergence of democratic rule is weaker than Moore's comparative analysis. Martinussen skilfully stresses the development of capitalism rather than the intricate transition of, mainly, agriculture, and how the rural classes and influential social groups have adapted themselves to new forms of rule. Again, fruitful comparisons could be made between India and Indonesia on this point–especially since rural patrons in Indonesia seem to have been much more dependent upon control over the local organs of the state than their Indian counterparts. This suggests that it could be easier for Indian patrons to adapt themselves to parliamentary democracy than for Indonesian patrons. But I will return to more comprehensive analyses and discussion of this in the next report on the peasants.

Undemocratic capitalists

Another way of challenging the thesis about the democratic "national bourgeoisie" is to argue, with Björn Beckman, [116] that the growth of capitalism in many third world countries may give birth to such resistance that democracy will emerge but that the strengthened capitalists, domestic as well as foreign, are penetrating the organs of the state so that the legitimacy of those organs is undermined. Politicians and civil servants may not be able to mediate between competing capitalists and others, or to arrange orders of succession, domesticate labour, etc., through political and ideological means. Thus the importance of the repressive state apparatuses.

Beckman's argument is another example of the need to distinguish between different types of transition to capitalism, led by distinct capitalists whose ways of reproducing and further developing their positions vary and give rise to separate forms of rule. However, I would maintain that the path stressed by Beckman, and its devastating effects on possible forms of rule, may have more relevance in Nigeria than in India and Indonesia where the states are stronger, more stable, and more autonomous. Thus, I support the argument that the transition to capitalism in many third world countries is likely to produce capitalists with a strong interest in democratic rule, but would maintain that in the case of India and Indonesia this has less to do with weak states in crisis than with a symbiosis of strong organs of the state and the rise of new capitalists from within them.

Regulative democracy

We still have to explain why limited but quite stable and important forms of democratic rule have survived in India. If this is not bourgeois democracy, what is it?

One of the more exciting arguments put forward in the Indian framework is that the extremely complex socio-economic structure does not only encourage a relatively autonomous state but also produces so many different and contradictory interests that there is an objective need for institutionalised regulations, forms for mediation, compromises, etc.[117] The caste system in particular tends to"solve differences by separation rather than by compromise" as is "reflected in the new social structures brought about with the electoral system–the political parties".[118]

However, these theories are, in the first place, valid only in relation to regulations and parliamentarianism, etc., and do not explain why there are also forms of equal democratic rule. Regulations, forms for compromises and so on survive in Indonesia as well. The impressive political stability since the mid 1960s is not a product of pure absolute dictatorship; dictatorial rule is combined with important forms–and a supportive ideology–for limited representation, mediation and compromises. Contemporary attempts to make the bureaucracy less arbitrary and more efficient, which I have touched upon earlier, may also give rise to government according to more universal rules even if it is only in a technocratic sense and restricted to a small minority. It is thus essential to ask not only why regulations, etc., are more important but also why they are combined with a type of equal rule in India.

Inclusive democracy

We need to know what sort of semi-bourgeois democracy survives in India and why. Nicos Mouzelis,[119] discussing the forms of rule in Argentina, Chile and Greece, hints at an interesting distinction between the incorporation and the integration of people into the political arena.

Integration took place, he maintains, through non-personalistic state bureaucracies, mass parties and unions in Western Europe whereas in Argentina, China and Greece politics were instead personalistic and particularistic. Thus, he comes quite close to the neo-

patrimonial approach which I have discussed earlier in relation to analyses of the state.

However, Mouzelis does not only describe the forms of rule but also tries to explain them. He maintains that Argentina, Chile and Greece experienced an early "modernisation" without industrialisation which produced a strong "middle class", transforming old forms of oligarchic parliamentarianism into populism. This kind of modernisation also produced large scale centralised clientelism often within the framework of modern bureaucracies. Next, he stresses that the late industrialisation had a "restrictive and uneven character.[120] Thus, wage labour could not form huge, homogeneous, independent and powerful organisations capable of altering the inclusive type of democracy that had developed.

Mouzelis' line of thought is exciting. He hints at a form of democracy related to societies where there is an influential political, administrative, and intellectual elite as well as commercial (mainly trading) classes, but where industrialisation, and agrarian capitalism, have emerged only recently. The problem is that he dwells on negations. For example: Historical circumstances that (probably) conditioned "integrative democracy" in certain Western European countries are not present since large scale industrial capitalism did not take place early enough. Thus, we have a negative distinction and a description of what happens but not a positive analysis of how and why. The question remains: what is the qualitatively different material basis of "inclusive" democracy? Why is it that the elites uphold clientelism–besides the fact that they are not politicians, administrators, et al., in an idealised Western European country? And if wage labourers do not enforce Western European forms of democracy, what do, and can, they do? And why?

Enforced democracy

It might be possible to advance into more positive distinctions and theories by making deeper analyses of the emergence of forms of equal rule in Western Europe. Göran Therborn belongs to a school of thought which argues that the decisive importance for democracy of the bourgeoisie is a myth. It was mainly interested in states governed by law. Capitalism, however, (and not the capitalists), besides creating a working class that forcefully demanded more equal rule in order to reproduce itself, also created an institutionalised system wide and flexible enough for popular demands to make themselves so strongly felt that democracy emerged.[121]

We could add to this detailed studies of the dynamics and regulation of mature capitalism, besides the exciting studies of under what conditions and in what forms labourers demanded more democracy in order to defend and reproduce themselves. For instance, the theses of the "regulation-school" and their emphasis on "fordism" as a condition for modern democracy.[122] Arrighi has also suggested that it is mainly when workers have to unite in order to defend their bargaining power on the labour market that they fight, defensively, for democracy and not when their more individual powers at the workplaces increase because only a small number of workers are enough to stop huge complicated production processes.[123]

However, even if we added a whole arsenal of similar theses and if we started extensive comparative projects, I would argue that we would still not be able to reach a general conclusion. All we could say is that what happened once in Western Europe, is not being repeated at present in, for example, India and Indonesia. This is, of course, due to the fact that the theses we select for comparison are produced within the framework of theories about the emergence and development of capitalism in Western Europe. Fruitful non-enthnocentric comparisons would require that we work out and relate our theses to similar theories about the present emergence and development of capitalism at a different period of time and in a quite different setting. Unless we do so, we will not be able to learn from historical experiences elsewhere.

For example, in the observation that neither market bargaining power nor workplace bargaining power alone can account for how workers act politically, we need to know more about today's types of capitalism to find out what is crucial. If we can identify clientelism as a main feature within politics and maintain that this is because there is no full-fledged capitalism, then what is the material basis of clientelism under the present type of capitalism? Or, if the working class is not big and united enough to enforce democracy, because capitalism is late and "incomplete", then what contradictions and classes and groups are crucial to understanding the nature of power in contemporary circumstances?

Democracy under rent capitalism?

The evaluation of political marxism in Indonesia and India showed

that it was difficult to describe and explain the problems of democracy with the thesis about a clear cut correlation between strong and weak capitalists and more or less equal rule. In Indonesia strong capitalists emerged by monopolising via the state what the citizens held in common. Thus the interests of the capitalists in democracy was minimal. And despite the existence of comparatively stronger and more independent private capitalists in India, the survival of political democracy in India had less to do with the capitalists' limited ability to reproduce their positions without decisive extra-economic interventions than with their interest in regulation of conflicts and their dependence on the capacity of others to mobilise acceptance. The possibility thereby arose for politicians and administrators to reproduce themselves within the framework of a form of limited equal rule.

Hence, in order to find more fruitful analytical tools, it was argued that we had to look for other approaches. First, approaches which could take into consideration that other paths of transition to capitalism (than those traditionally related to the emergence of bourgeois democracy) could give rise to special problems and forms of democracy. Second, the alternative approaches would have to help us pay much more attention to the importance of the forms of rule as such, their immediate pre-conditions and their extension since they had, obviously, been crucial not only for government but also for the type of accumulation and exploitation. Third, we had to find (or develop) approaches giving prime importance to the way in which socio-economic relations of power were integrated with the forms of rule. This in turn would make it necessary to study to what extent people were forced to fight for democracy in order to reproduce their positions.

With Barrington Moore's approach we could show that different more or less anti-feudal revolutions produced various forms of rule. We were able to generalise about preconditions for bourgeois democracy only and got very little help to develop more comprehensive studies of the political level.

Martinussen paid attention to the ways in which economically strong classes try to influence the organs of the state. In doing this he came close to a circular argument. Moreover, we got no help from Martinussen to analyse what happens when capitalism and capitalists partly develop from within the state. If we follow him we are still bound to conceptualise Indian democracy as bourgeois.

Beckman, on the other hand, fruitfully showed that the growth of capitalism and capitalists may undermine decisive preconditions for democracy. However, the problems of democracy in Indonesia and India had to do with the strength of the state and the development of new capitalists from within the state, rather than with weak and perverted organs in crisis.

Widespread interests in India in regulation, compromises, etc., could help us analyse the importance of various forms of limited representation, formal and informal rules of the game, and so on. But this was valid for Indonesia also. Thus, we had to look for other causes of India's democracy.

The discussion about "inclusive democracy" may help us to describe some features of the particular forms of rule that appear in peripheral countries with important "middle classes" but with late industrialisation and, hence, a weak working class. This perspective, as well as perspectives implying generalisations from more detailed studies of how mainly workers were able to enforce bourgeois democracy under the development of Western capitalism, suffered from conceptual negations. The problems of third world democracy are due to the fact that capitalism has not developed there in the same way as in Western Europe. Thus, we still have to work out and relate experiences from Western Europe to theories about how capitalism is emerging and developing under different conditions.

In other words, we are left with the task of elaborating a framework for analysing preconditions for democracy in countries such as Indonesia and India under, I maintain, rent capitalism. Drawing on my previous outline of rent capitalism, I would like to emphasise five basic types of preconditions for more or less equal rule.

1. Most private capitalists depend upon extra-economic protection and support in order to reproduce their positions. Political rent and finance capitalists base their strength on political monopolies.

Thus, on the one hand, the extent of what people *in principle* hold in common, within the framework of the state, is very large. But, on the other hand, the material basis (among the capitalists) for extended equal rule is narrow. There is hardly any powerful basis for bourgeois democracy to be found in the interests of the economically independent capitalist.

Private capitalists in India are, generally speaking, more autonomous, and the political rent and finance capitalists less power-

ful, than in Indonesia. Hence, the scope and need for governing according to rules of what the capitalists and their servants hold in common, plus relatively independent politics generally, is wider and more pronounced in India than in Indonesia.

2. Exploitation through rents has decisive importance. This has at least two basic effects upon the conditions for different types of rule.

To begin with there is a material basis for personalised dependency relations. These encourage clientelism as a means of mobilising popular support, etc., among citizens on all levels. This in turn leaves some room for very limited forms of popular influence and participation as long as the very exploitation through rents, the control of common resources, is not threatened and as long as the patrons can continue to reproduce their positions as rentiers.

Moreover, exploitation through rents is, by definition, based on centralised relations of power (because of the control of what people. in principle, hold in common). Thus there are also decisive preconditions for centralised forms of political mobilisation to be found. Hence the importance of leaders, paternalism, *bapakism* in Indonesia, but also populism, etc.

However, because the Indian capitalists are comparatively more autonomous than the Indonesian ones, but still dependent upon other's capacity to, first govern what capitalists hold in common, and, second, mobilise general acceptance, there is, in India, room for the co-existence of limited forms of political democracy and clientelism, paternalism, etc.

Also, as I have already hinted, the relatively autonomous politicians and civil servants in India may find it suitable to develop forms of rule that include vote catching, mediation, respect for elitism, etc., not only because their masters need it but also in order to reproduce their own positions. We should not forget that most politicians and administrators in India do not possess the same absolute powers within the organs of the state as many of their Indonesian colleagues do (among whom there are more and more powerful regulative rentiers as well as political rent and finance capitalists).

3. Class structure under rent capitalism is complex and fragmented. Social and political organisation is not only affected by appropriation of surplus within production and trade but also by exploitation through rents which supports forms of loyalty other than class.

To begin with, this requires complicated regulations and forms

for compromises and mediation among the dominating classes, factions and patrons. This in turn may, if necessary for the reproduction of the dominating groups, give rise not only to limited forms of equal rule among the powerful groups but also to demands for more efficient and universal administration of what they hold in common.

The less absolute power of the dominating groups in India than in Indonesia seems to give room for limited forms of equal rule of what the capitalists hold in common. On the other hand, I shall not be surprised if the more absolute powers of political rent and finance capitalists in Indonesia will, in the future, give rise to more forceful demands for a more universal, technocratic and especially more efficient administration (of their common business) than in India.

4. Complex class structures, and socio-political mobilisation and organisation along vertical rather than horizontal lines also condition the ways in which the rulers are able to domesticate oppressed and exploited people on various levels. There is a need for other forms of conflict regulation between rulers and ruled than most of the methods applied during the development of advanced Western capitalism. For example, pure economic force on a comparatively free and open labour market cannot be relied upon to the same extent. As I have already mentioned, there are, instead, ample opportunities to subordinate people within the very processes of appropriation of rents–through clientelism, etc.

The need to draw on such opportunities seems to be greater in India than in Indonesia mostly because the Indian rulers on different levels posses less absolute powers. This, then, is an additional reason for the survival of contained political democracy in India.

5. This is not the place to elaborate on prerequisites for democracy due to interests and demands put forward by peasants, wage labourers and others. I will be better equipped to do so in the subsequent report which will focus upon ideas about these classes as driving social forces. However, since it may be possible to interpret my conclusions to mean that there are hardly any openings for genuine democracy under rent capitalism, I would like to make some remarks.

It is, of course, true, as Mouzelis and others have pointed out, that late, incomplete, and uneven industrialisation gives rise to wage labourers who, to borrow Arrighi's concept, are less likely than their comrades in Western Europe to be able to defend their market bargaining power by uniting, forming powerful organisations, and en-

forcing certain democratic concessions from a bourgeoisie within the framework of a stable and flexible capitalism. However, the dynamics of rent capitalism also produces other conflicts and possible options.

Consider, for example, that the very basis for exploitation through rents is monopoly of what people, in principle, hold in common. Thus, even if the actual producers are very fragmented and have very different immediate interests as well as survival strategies for their reproduction within the existing structures and systems, many of them have to do away with undemocratic forms of rule in order to radically improve their situations. Moreover, they have this in common with a majority of the wage labourers and also with most peasants, petty businessmen and others in subordinated client positions.

The crucial problems is, of course, that quite a few of them may be able to reproduce their positions, and even to some extent their levels of life, within the framework of the present relations of power without a struggle for democracy. Their immediate common interests within the fragmented and different processes of production and trade may be more decisive for short term action whereas many wage labourers in Western Europe had to demand democracy in order to defend their very immediate interests of protecting their market bargaining power. However, as soon as the general exploitation through rent becomes decisive and necessary to fight for the protection and direct improvement of people's standard of living–as recently in Kerala–the interest in promoting democracy becomes general, dynamic and may even become revolutionary to an extent never experienced in Western Europe. The very basis of many economically as well as politically important rulers is undemocratic control over what people hold in common and their extensive powers. Thus, a democratisation of the ways in which common resources are ruled may empower people to an extent that, relatively speaking, would perhaps even bring them ahead of the labour movement in Western Europe.

If, as Therborn and others have claimed, capitalism in the West produced contradictions and opportunities that made it possible for the labour movement to enforce bourgeois democracy, I would argue that the dynamics of rent capitalism may give rise to contradictions, movements and demands which may produce, whether intended or not, more extended forms of popular rule.

This, however, is not to subscribe to the ideas of radical democracy put forward by Laclau and others in the context of post-industrial societies. They argue that interests of class are no longer decisive for democratic demands.[124] On the contrary, I would maintain that general interests of democracy in countries such as Indonesia and India may be rooted in the very process of exploitation through rents.

References

97. Drawing on Rudebeck (1985) I will distinguish between people's rule, a form of government, and people's power, its socio-economic basis.
98. A very general definition of democracy could be that people equally rule what they hold in common.
99. . . . and do not profess completeness.
100. Hermansson (1985), pp. 5-7, drawing on Hadenius (1983).
101 Hermansson (1985), p. 6f.
102 Dimon & Lipset et al. (1986), for example.
103. Cf. Hermansson (1985), p. 13, who refer to such perspectives.
104. Unfortunately, however, many studies are limited to the examination of programmes, statements, values etc. and abstain from systematic analyses of to what extent strategies and tactics are also based on democratic methods and goals.
105. Cf. Egerö (1987) and Rudebeck (1985a)
106. Cf. Törnquist (1987).
107. Amartaya Sen (1986), p. 39.
108. Moore (1984).
109. E.g. Lipset (1969).
110. Moore did not use "feudalism" uncritically; I will return to this.
111. See Held (1987) for a fine history of democratic ideas, which, unfortunately, does not include a discussion of historical material preconditions for various types of actual democracy.
112. Also, the role of the working class in Russia and China is almost neglected by Moore, who is more interested in the "anti-feudal" roots of revolutions and, thus, the role of the peasants.
113. Martinussen (1980).
114. See, for a summary of this argument in English, Martinussen (1982), Cf., also Jessop (1983) especially p. 284 for a similar argument.
115. Törnquist (1985), p. 116.
116. See, e.g., Beckman (1982a) and (1987).
117. See, e.g., Bardhan (1984), ch 9, Vanaik (1985) and, interestingly enough, Simoniya (1985), p. 18f.
118. Kolenda (1986), p. 119.
119. Mouzelis (1986).
120. Ibid., p. 62.
121. See, e.g., Therborn (1977).
122. See, e.g., Lipietz (1982) and Brandell (1987).
123. Arrighi (1983).
124. Laclau and Mouffe (1985) and Laclau (1987). Cf. also the fine review discussion by Gamle (1987).

7

Implications for Political Marxism

Within the school of political Marxist thought discussed in this book, anti-imperialist and "anti-feudal" capitalists and states were identified as driving social forces. Actual developments proved that they were so, especially the state. However, the forces assumed to be progressive were far from following the revolutionary path to capitalism theoretically foreseen. The initially quite rewarding alliances of the communists with those forces led instead into blind alleys.

This does not make Indian and Indonesian capitalists less entrepreneurial than others. They merely reproduce their positions in the most profitable way, that is by use of the state. The state per se is not "evil" under rent capitalism. It is rather the socio-economic and political balance of power which makes it possible for certain social classes and factious within as well as outside the state, to monopolise and use resources which are in principle collectively owned.

There is therefore no main conflict between "state and civil society"–but between, on the one hand, the social classes and factions, within as well as outside the state, who have monopolised public resources, and on the other hand those who have produced but do not possess these resources.

There are two main ways out of this: Either power is transferred to state dependent private capitalists by way of "liberalisation". Or the control over the collectively owned resources is transferred to the real producers by way of democratisation.

I fail to see any logical reason to consider privatisation; not even in order to promote growth or to strengthen the "civil society".[125] It is not the state as such but the way in which it is controlled and used that is crucial. The easiest way to get rid of tax evasion, for example, is to liberate people from taxes. However, it is not the common resources that should be done away with but their monopolisation.

What are the potentials for democratisation? Many of the preconditions that were decisive for the emergence of European bourgeois democracy are lacking. The basis of rent capitalism is undemocratic control over what people hold in common. On the other hand, potential interests in democracy are spread at least as widely as exploitation through rents on what is collectively owned. The extensive, monopolised common resources constitute a considerable potential basis for people's development under democratic rule.

An option exists, thus, for broad, social, and political alliances based on common interests in democratisation by which political Marxism can regain some of the importance and initiative it had during the pre-rent capitalist periods of co-operation with occasionally progressive capitalists and leaders of the state.

The issue of democratisation is latent. Political Marxists may turn down the explosive potential of demands for democracy, open up for bourgeois forces to take over instead, and hold on to old theses and strategies as did most of the Philippine communists recently. Many South and Southeast Asian communists made a similar mistake earlier when they occasionally gave up nationalism during the anti-colonial struggles.

On the other hand, political marxists may, consciously or not, shoulder demands for democracy and take the lead as the Kerala communists did in order to win the 1987 state elections. Promotion of growth and of people's standard of living required efficient state organs and co-operatives. From being monopolised and abused they had to be democratised. Whether they can implement this policy consistently or not is another question.

Democratisation may therefore also be considered as the main goal for progressive aid policies, since democracy is obviously not only important in itself but, especially under rent capitalism, also a necessary precondition for growth of development in accordance with most people's basic interests.

However, even if all who are significantly exploited through rents on monopolised common resources should be interested in democracy, we need much more knowledge about when and how people have the interest and capacity to give priority to the struggle for democracy. I will explore this in my next work dealing with peasants and workers.

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125. This European notion—with its basis in anti-feudal and anti-absolutist state struggles for various liberties—is difficult to apply in an area with a different history with less feudalism, absolutism, private ownership, free markets etc. Let us instead talk about the more basic need for some autonomy and the importance of how the state is controlled and governed.

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Bose, Souren; Previously leading naxalite, at the time of the interview associated with "The Marxist Review", Calcutta, 1985.03.03.
Chakravartty, Nikhil; Editor "Mainstream", New Delhi 1985.03.20.
Chandra, Bipan; Professor, historian, JNU, and leading radical intellectual, New Delhi, 1985.03.15 and 1985.03.19.
Chattopadhyay, Boudhayan; Director of the CRESSIDA research centre and former leading intellectual within the CPI, Calcutta, 1985.02.26.
Dange, S.A.; Ex general secretary CPI and trade union leader, Bombay, 1985.01.27.
Das Gupta, Sailen; Principal CPI-M leader in financial matters in West Bengal, Calcutta, 1985.02.21
Desai, A.R.; Professor, sociologist and leading left wing intellectual, Bombay, 1985.01.27.

E.M.S. Namboodiripad; General Secretary Communist Party of India (Marxist), New Delhi, 1985.03.14.

Goyal, S.K.; Then professor I.I.P.A., New Delhi. 1985.03.14.

Gupta, Indrajit; Leading member of the central secretariat and central executive committee of the CPI, New Delhi, 1985.03.21.

Habib, Irfan; Professor, historian, Aligarh Muslim University, and leading intellectual within the CPI-M, Aligarh 1985.03.10.

Kumar Bose, Deb; Professor, political economist, Calcutta 1985.03.04.

Menon, Achutha; Ex. chief minister Kerala (CPI), Calicut, 1985.02.10.

Mishra, R.K.; Editor "Patriot", New Delhi 1985.03.21.

Mukherjee, Saroj; Principal state secretary CPI-M and co-ordinator of the Left Front, Calcutta, 1985.02.20.

Patnaik, Prabhat; Professor, political economist, JNU, and leading intellectual within the CPI-M, New Delhi, 1985.03.21.

Rana, Santosh; General Secretary Communist Party of India (Marxist-Leninist)–Provisional Central Committee, Calcutta 1985.03.03.

Reddy, Rajasekhara; Leading member of the central secretariat and central executive committee of the CPI, New Delhi, 1985.03.14.

Roy, Ajit; then editor "The Marxist Review", scholar and leading left wing intellectual, Calcutta, 1985.01.15 and 1985.02.23.

Roy, Monoranjan; General secretary CITU, West Bengal, Calcutta, 1985.02.24.

Sen, Satyabrata; Member of CPI-M state committee West Bengal and ex leading member of the state planning board, Calcutta, 1985.02.20.

Sengupta, Sunil; Acting director, Agro-Economic Research Centre, Visva-Bharati University, and ex leading CPI official, Santiniketan, 1985.02.25.

Surjeet, Harkishan Singh; Member of the Polit Bureau Communist Party of India (Marxist), New Delhi, 1985.03.14.

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